

M-1

ARITEX DEVEL. #2 FEE STRAT
SE NE 6-17N-21E NAVAJO CO. 532

51

LOCATION	SE NE	SEC	6	TWP	17N	RANGE	21E	FOOTAGE	4339'	FWL	2542 FNL
ELEV	5077'	GR		KB		SPUD DATE	3-9-70	STATUS	P&A	TOTAL	
						COMP. DATE	3-17-70	DEPTH	1140'		

CASING SIZE	DEPTH	CEMENT	LINER SIZE & DEPTH	DRILLED BY ROTARY	_____ x _____
9 5/8"	185'	125 SK	NA	DRILLED BY CABLE TOOL	_____
7"	1139'	200 SK		PRODUCTIVE RESERVOIR	_____
				INITIAL PRODUCTION	dry hole _____

ELECTRIC LOGS	PERFORATED INTERVALS	PROD. INTERVALS	SAMPLE LOG
Gamma Ray-2, Electric Log, Interface Survey - 2	NA	NA	SAMPLE DESCRP. <u>x</u>
			SAMPLE NO. <u>1621</u>
			CORE ANALYSIS
			DSTs
			Tucson 2570
REMARKS			APP. TO PLUG <u>x</u>
			PLUGGING REP. <u>x</u>
			COMP. REPORT <u>x</u>

BOND CO.	<u>United States Fidelity & Guaranty</u>		BOND NO.	<u>29-0130-153-70</u>	
			DATE		
BOND AMT. \$	<u>5,000</u>	CANCELLED		ORGANIZATION REPORT	<u>3-2-70</u>
FILING RECEIPT	<u>2866</u>	LOC. PLAT	<u>x</u>	WELL BOOK	<u>x</u> PLAT BOOK <u>x</u>
API NO.	<u>02-017-20004</u>	DATE ISSUED	<u>3-11-70</u>	DEDICATION	<u>Strat</u>

(over)

DRILL STEM TEST			
NO.	FROM	TO	RESULTS
			NA

REMEDIAL HISTORY

DATE STARTED - COMPLETED	WORK PERFORMED	NEW PERFORATIONS
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ADDITIONAL INFORMATION

[illegible]

WELL COMPLETION OR RECOMPLETION REPORT AND WELL LOG									
DESIGNATE TYPE OF COMPLETION:									
New Well <input type="checkbox"/>	Work-Over <input type="checkbox"/>	Deepen <input type="checkbox"/>	Plug Back <input type="checkbox"/>	Same Reservoir <input type="checkbox"/>	Different Reservoir <input type="checkbox"/>	Oil <input type="checkbox"/>	Gas <input type="checkbox"/>	Dry <input type="checkbox"/>	
DESCRIPTION OF WELL AND LEASE									
Operator Aritex Development Corporation				Address P. O. Box 187, Holbrook, Arizona 86025					
Federal, State or Indian Lease Number or name of lessor if fee lease Aritex Fee Strat				Well Number No. 2		Field & Reservoir -			
Location SE/4 of NE/4				County -					
Sec. TWP-Range or Block & Survey Section 6, T17N, R 21E									
Date spudded 3/8/1970		Date total depth reached 3/17/1970		Date completed, ready to produce -		Elevation (DF, RMB, RT or Gr.) feet -		Elevation of casing hd. flange feet 5,080	
Total depth 1,140 feet		P.B.T.D. -		Single, dual or triple completion? -		If this is a dual or triple completion, furnish separate report for each completion. -			
Producing interval (s) for this completion -				Rotary tools used (interval) completely		Cable tools used (interval) None			
Was this well directionally drilled? No		Was directional survey made? No		Was copy of directional survey filed? No		Date filed -			
Type of electrical or other logs run (check logs filed with the commission) Radioactivity						Date filed -			
CASING RECORD									
Casing (report all strings set in well—conductor, surface, intermediate, producing, etc.)									
Purpose	Size hole drilled	Size casing set	Weight (lb./ft.)	Depth set	Sacks cement	Amt. pulled			
Surface	13-1/4"	9-5/8"	32	185'	125				
-	8-3/4"	7	20	1,139'	200				
TUBING RECORD					LINER RECORD				
Size	Depth set	Packer set at	Size	Top	Bottom	Sacks cement	Screen (ft.)		
None	in.	ft.	in.	ft.	ft.	ft.			
PERFORATION RECORD					ACID, SHOT, FRACTURE, CEMENT SQUEEZER RECORD				
Number per ft.	Size & type	Depth Interval			Amt. & kind of material used		Depth Interval		
INITIAL PRODUCTION									
Date of first production None		Producing method (indicate if flowing, gas lift or pumping—if pumping, show size & type of pump): -							
Date of test	Hrs. tested	Choke size	Oil prod. during test bbls.	Gas prod. during test MCF	Water prod. during test bbls.	Oil gravity ° API (Corr)			
Tubing pressure	Casing pressure	Cal'ed rate of Production per 24 hrs.	Oil bbls.	Gas MCF	Water bbls.	Gas-oil ratio			
Disposition of gas (state whether vented, used for fuel or sold): None									
<p>CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>President</u> of the <u>Aritex Development Corporation</u> (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.</p> <p style="text-align: center;"> Date <u>6/15/71</u> Signature <u>[Signature]</u> </p>									
RECEIVED					STATE OF ARIZONA				
JUN 18 1971					OIL & GAS CONSERVATION COMMISSION				
O & G CONVS. COMM.					Well Completion or Recompletion Report and Well Log				
Permit No. 532					Form No. 4				
					File One Copy				

DETAIL OF FORMATIONS PENETRATED

Formation	Top	Bottom	Description*
Coconino	130'	773'	
Supai	773'		
First Salt	1,052		
(Massive), Base	1,070		
Total Depth	1,140		

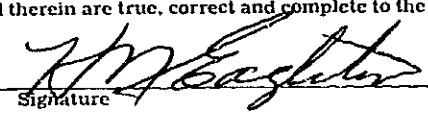
* Show all important zones of porosity, detail of all cores, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.

INSTRUCTIONS:

Attach driller's log or other acceptable log of well.

This Well Completion or Recompletion report and well log shall be filed with the State of Arizona Oil & Gas Conservation Commission not later than thirty days after project completion.

Form No. 4

PLUGGING RECORD									
Operator Aritex Development Corporation				Address P. O. Box 36117, Houston, Texas 77036					
Federal, State, or Indian Lease Number, or lessor's name if fee lease. Aritex #2 Fee Strat				Well No. 2		Field & Reservoir None			
Location of Well SE/NE				Section 6 T17N R21E				County Navajo	
Application to drill this well was filed in name of Aritex				Has this well ever produced oil or gas No		Character of well at completion (initial production): Oil (bbbls/day) - Gas (MCF/day) -		Dry? yes	
Date plugged: July 24, 1973				Total depth 860'		Amount well producing when plugged: Oil (bbbls/day) - Gas (MCF/day) -		Water (bbbls/day) -	
Name of each formation containing oil or gas. Indicate which formation open to well-bore at time of plugging			Fluid content of each formation			Depth interval of each formation		Size, kind & depth of plugs used. Indicate zones squeeze cemented, giving amount cement	
None									
CASING RECORD									
Size pipe		Put in well (ft.)		Pulled out (ft.)		Left in well (ft.)		Give depth and method of parting casing (shot, ripped, etc.)	
7"		1000' ±		None		All		Packers and shoes	
Was well filled with mud-laden fluid, according to regulations? Yes, cement						Indicate deepest formation containing fresh water. Approximately 700'			
NAMES AND ADDRESSES OF ADJACENT LEASE OPERATORS OR OWNERS OF THE SURFACE									
Name				Address				Direction from this well:	
None									
In addition to other information required on this form, if this well was plugged back for use as a fresh water well, give all pertinent details of plugging operations to base of fresh water sand, perforated interval to fresh water sand, name and address of surface owner, and attach letter from surface owner authorizing completion of this well as a water well and agreeing to assume full liability for any subsequent plugging which might be required.									
Completely Plugged									
Use reverse side for additional detail.									
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>President</u> of the <u>Aritex Development</u> (company) and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.									
Date August 2, 1973				Signature 					
<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> <p style="font-size: 1.5em; margin: 0;">RECEIVED</p> <p style="font-size: 1.2em; margin: 5px 0;">AUG 06 1973</p> <p style="margin: 0;">O & G CONS. COMM.</p> <p style="margin-top: 20px;">Permit No. <u>532</u></p> </div> <div style="text-align: center;"> <p>STATE OF ARIZONA</p> <p>OIL & GAS CONSERVATION COMMISSION</p> <p>Plugging Record</p> <p>File One Copy</p> </div> </div>									
Form No. 10									

APPLICATION TO ABANDON AND PLUG

FIELD None
 OPERATOR Aritex Development Corporation ADDRESS P. O. Box 36117, Houston, Texas
 Federal, State, or Indian Lease Number or Lessor's Name if Fee Lease Aritex Fee Strat WELL NO. 2
 LOCATION SE/NE Section 6 T17N R21E
Navajo County
 TYPE OF WELL Strat Test - Dry TOTAL DEPTH 1100
 (Oil, Gas or Dry Hole)
 ALLOWABLE (If Assigned) None
 LAST PRODUCTION TEST OIL None (Bbls.) WATER None (Bbls.)
 GAS None (MCF) DATE OF TEST None
 PRODUCING HORIZON None PRODUCING FROM TO

1. COMPLETE CASING RECORD.

7" Casing completely cemented from 1100' to surface.

2. FULL DETAILS OF PROPOSED PLAN OF WORK.

Will put Halliburton cement baskets (2) on bottom two joints of 4" tubing, weld cap on bottom of 4" tubing, then lower 870' of 4" into 7" casing. Poured one (1) yard of cement into hole on July 21, 1973, to allow cement baskets to set, then filled both 4" and 7" completely full of cement.

DATE COMMENCING OPERATIONS July 20, 1973
 NAME OF PERSON DOING WORK Tom Martin ADDRESS P. O. Box 36117 - Houston
Texas
 Signature [Signature]
 Title President
 Address P. O. Box 36117
Houston, Texas 77036
 Date July 20, 1973

RECEIVED

AUG 06 1973

O & G CONS. COMM.

Date Approved 8-6-73
 STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 By: John Vannister

Permit No. 532

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Application to Abandon and Plug
 File Two Copies
 Form No. 3

January 20, 1972

Memo to Airtex Development #1 Fee Strat
NE/SE Section-6-17N-21E
Navajo County
File #530

Airtex Development #2 Fee Strat
SE/NE Section 6-18N-21E
Navajo County
Our File #532

Memo from W. E. Allen, Director
Enforcement Section

Air-Tex LPG Storage project was visited on January 18, 1972.
The gates entering the location was locked, and have been
for some time. The salt water ponds are all completely dry.
The phone number for Air-Tex as indicated on a sign at the
entrance to the location is no longer in service.

SUNDY NOTICES AND REPORTS ON WELLS

1. Name of Operator ARITEX Development Corp
 2. OIL WELL ☐ GAS WELL ☐ OTHER ☐ (Specify) PROPANE STORAGE
 3. Well Name #1 FEE STRAT
 Location HOLLBROOK ARIZONA
 Sec. 6 Twp. 17N Rge. 21E County NAUASO Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease:

5. Field or Pool Name:

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO: <u>TUBING 4 1/2"</u>		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input checked="" type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>		ABANDONMENT <input type="checkbox"/>
(OTHER) <input type="checkbox"/>		(OTHER) <input type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

PLANS ARE TO PULL 4 1/2" TUBING FROM WELL AND LAY DOWN - THE SECOND PHASE OF THIS WORKOVER WILL BE TO HAVE SCHLUMBERGER RUN TWO TEMPERATURE SURVEYS FOR COMPARISON AND FURTHER STUDY. THIS IS THE EXTENT OF THIS WORKOVER. THE COMMISSION WILL BE ADVISED OF ANY FUTURE WELL WORK.

APPROVED

By W.B. Allen

Date 8-17-71

RECEIVED

AUG 16 1971

O & G CONS. COMM.

8. I hereby certify that the foregoing is true and correct.

Signed

Thomas Corrales

Title

Mgr.

Date

Aug 15-71

Permit No. 532

STATE OF ARIZONA
 OIL & GAS CONSERVATION COMMISSION
 Sundry Notices and Reports On Wells
 File Two Copies
 Form No. 25

August 13, 1971

Memo from Mr. W. E. Allen

Re: Airtex Development Corporation #2 Fee Strat
SE NE 6-17N-21E
Our file #532

Tom Martin called this date to advise that they were planning to install the 4 1/2" tubing and packer in this well and run a temperature survey to locate a leak in the 7" casing. When and if this leak is located, they will then decide to take action. We are sending Mr. Martin a supply of Form 25. We have instructed to detail his work plans on this form and send two copies to this office for our approval.

WEA/rlb

SUNDRY NOTICES AND REPORTS ON WELLS

1. Name of Operator Aritex Development Corporation

2. OIL WELL ☐ GAS WELL ☐ OTHER ☐ (Specify) Brine Well

3. Well Name Aritex No. 2 Fee Strat

Location SE/4 of NE/4 of Section 6

Sec. 6 Twp. 17N Rge. 21E County Navajo Arizona.

4. Federal, State or Indian Lease Number, or lessor's name if fee lease Aritex

5. Field or Pool Name None

6. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	MONTHLY PROGRESS <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	DIRECTIONAL DRILL <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	PERFORATE CASING <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>		ABANDONMENT <input type="checkbox"/>
(OTHER) <input type="checkbox"/>		(OTHER) <input type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

7. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

On May 8, 1971, a well log was run to try to find evidence of propane in well. Log indicated probability of 3' to 4' of propane between depth of 942' to 946'. On same date four (4) 7/16" shots were made in 1'-0" interval at 942' to 943'. There was only slight propane recovery. So four (4) more 7/16" shots were made at 943' to 944'. After these shots there was definite propane recovery. On May 14, 1971, approximately 11,000 gallons of propane was recovered into a tank truck and reinjected into this same well the same afternoon.

RECEIVED
JUN 11 1971
O & G CONS. COMM.

8. I hereby certify that the foregoing is true and correct.

Signed M. B. Easton Title President Date June 9, 1971

Permit No. 532

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Sundry Notices and Reports On Wells
File Two Copies

Form No. 25

May 17, 1971

Memo from W. E. Allen

Memo to: Aritex Development #1 Fee Strat
NE/4 SE/4 Sec. 6-T17N-R21E
Navajo County
Our File #530

and

Aritex Development #2 Fee Strat
SE/4 NE/4 Sec. 6-T17N-R21E
Navajo County
Our File #532

On May 10 I requested that Tom Martin attempt to have Eagleton forward to this office the requested completion reports and logs on their two storage wells. Martin assured me that he would contact Eagleton either the night of the 10th or the 11th and have this information forwarded to this office as soon as possible.

March 8, 1971

Memo from W. E. Allen, Director
Enforcement Section

Memo to:	Aritex #1 Fee Strat	Aritex #2 Fee Strat
	NE/4 SE/4 Sec. 6-T17N-R21E	SE/4 NE/4 Sec. 6-T17N-R21E
	Navajo County	Navajo County
	Our File #530	Our File #532

Aritex has enlarged their reservoir to give it a storage capacity of 5,100,000 gallons. At the time I visited this location on February 25, they were awaiting a consultant from Tulsa to pressure test the reservoir.

September 8, 1970

Memo from W. E. Allen
Director-Enforcement Section

Memo to Aritex Development #1 Fee Strat
 NE SE 6-T17N-R21E
 Navajo County
 Our File #530
 and
 Aritex Development #2 Fee Strat
 SE NE 6-T17N-R21E
 Navajo County
 Our File #532

Called Tom Martin to inquire as to their present operations and also the extent of damage, if any, caused his operation by the recent torrential rains. Apparently, Aritex suffered no damage to their operation other than the loss of one small electric motor. Their evaporating pits withstood the rains in good ~~shape~~ shape. The roads have been completely washed out going to this location.

At the present time Mr. Martin is still awaiting orders as to just what procedure will be followed in recovering additional butane that has been injected into the formation.

August 17, 1970

Memo from W. E. Allen

Memo to Aritex Development #1 Fee Strat
NE/4 SE/4 Sec. 6-T17N-R21E
Navajo County
Our File #530

and

Aritex Development #2 Fee Strat
SE/4 NE/4 Sec. 6-T17N-R21E
Navajo County
Our File #532

Called Tom Martin with Eagleton Engineering to determine the progress they were making in their operations. French Well Logging Service from Houston arrived on location on the 15th to run Density Logs in an effort to ~~XX~~ pick the water-gas contact point in the storage reservoir. Ran log on the #1 well and perforated casing at the indicated water-gas contact point. Only a small amount of butane recovered. Ran log on the #2 well. Water-gas contact point indicated on log; however, the casing was not perforated. All logs were sent to Houston for interpretation by French Engineers, McCullough, Dowell, and Eagleton Engineers. After studying the logs, a decision will be reached as to what action to take.

There was a total of 240,000 gallons of butane injected into the reservoir initially and only 40,000 gallons recovered. Mr. Martin is of the opinion that there is a cavity around the casing in the #2 well that is holding all the ~~XX~~ unrecovered gas.

August 12, 1970

Memo from W. E. Allen

Memo to Aritex Development #1 Fee Strat
NE/4 SE/4 Sec. 6-T17N-R21E
Navajo County
Our File #530

and

Aritex Development #2 Fee Strat
SE/4 NE/4 Sec. 6-T17N-R21E
Navajo County
Our File #532

Visited with Tom Martin and discussed this operation. The storage reservoir had been pressure tested for 50 hours. The tests proved O. K. LPG was then injected. The recovery of LPG proved disappointing. Martin thinks the gas is in the portion of the cavity that is above the casing and will remain as dead storage. To prove this assumption, a Density Log will be run to establish the gas-water contact and then the casing will be perforated above this contact point and the gas will be displaced. A logging unit is being sent from Houston, Texas, to run the logs. They are expected on location sometime Saturday, August 15, 1970.

I informed Martin that we would require Form 24, Transporter's and Storer's Monthly Report, to be filed on their operations each month. I had one copy of the report with me which I left with Martin. He requested that a supply of these forms be sent to Houston. Eagleton Engineering will file the reports for the first few months of operation.

July 15, 1970

Memo from W. E. Allen

Memo to Aritex Development #1 Fee Strat
NE SE Sec. 6-T17N-R21E
Navajo County
Our File #530

and

Aritex Development #2 Fee Strat
SE NE Sec. 6-T17N-R21E
Navajo County
Our File #532

Jim Scurlock and I visited the Aritex location. We discussed this operation in detail with Tom Martin of Aritex. Aritex is waiting for an electrician to connect the pump that will keep the suction on their main LPG injection pump charged. When this pump is installed, the hydrostatic pressure on the reservoir will be checked. If the pressure stabilizes, which Tom is sure it will, they will inject LPG for a trial run. If everything proves O.K., following testing they will start storing LPG for Suburban Gas Company.

Aritex is attempting to acquire more land immediately west and south of their present site for space and a railroad siding.

Mr. Martin assured us that he would keep us informed. Their entire location was clean and all equipment freshly painted.

206 CENTURY BLDG.

OFFICE 247-0025
RESIDENCE 247-3190

ROBERT E. LAUTH
GEOLOGICAL CONSULTANT
P. O. BOX 776
DURANGO, COLORADO
81301

ARITEX DEVELOPMENT CORP.
HOLBROOK-PROPANE STORAGE WELL
NAVAJO COUNTY, ARIZONA

COMPLETION REPORT

WELL AND LOCATION:

No. 2 Fee-Strat
Section 6, Township 17 North, Range 21 East
4340 feet from West line
2543 feet from North line

ELEVATION:

Ground: 5077.5 feet

CONTRACTOR:

Jewell Adkison Drilling Co.
Albuquerque, New Mexico

COMMENCED:

March 8, 1970

DRILLING COMPLETED:

March 17, 1970

TOTAL DEPTH:

Driller: 1140 feet
Welox: 1139½ feet

CASING:

9 5/8" at 185 feet with 125 sacks regular
cement
7" at 1139 feet with 200 sacks with 2% CaCl
and 6% Gel in top 75 sacks; circulated

LOGGING:

Samples: Bagged: 40 to 1005 feet
1110 to 1140 feet
Described: all of above
Cores: 1005 to 1110 feet

Disposition of Samples

& Core Chips: Four Corners Sample Cut
641 West Broadway
Farmington, New Mexico

Cores were boxed and stored in J. S. Baldry's
garage

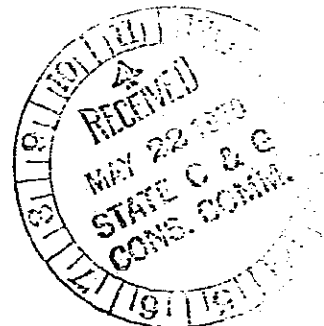
Drilling time (5 foot stick) 185 - 1005 ft.

1110 - 1140 ft.

1 foot core time 1005 - 1110 ft.

Mechanical Log (Welox)

Radioactivity Log: 0 - 1138 ft.



532

FORMATIONS:

FORMATION	LOG TOP	LOG DATUM
<u>PERMIAN</u>		
Coconino ss.	130'	(+) 4948
Supai fm.	773'	(+) 4305
First Salt Bed, Top:	1052'	(+) 4026
(Massive), Base:	1070'	(+) 4008
TOTAL DEPTH	1140'	

DEVIATION RECORD:

TOTCO SURVEY: 735' - 1/4°

BIT RECORD:

Surface Bit 12K" to 185 feet
 Bit 1. 8K" Hughes AY998, 185 to 735 feet -
 550 feet
 Bit 2. 8K" Security M4L, 735 to 1005 feet -
 270 feet
 Cored 6K" Christensen Diamond Bit 1005 -
 1110 - 105 feet
 Bit 3. 8K" Chicago Pneumatic EH-1
 Reamed 1005 - 1110
 Drilled 1110 - 1140 - 35 feet

DRILLING:

No major or serious drilling problems were encountered. The drill pipe twisted off at the weld just below the box at 735 feet. A center spear tap was run which caught and removed the fish in a short time. The hole was drilled with fresh water gel-chem mud to a depth of 865 feet. Some minor lost circulation of mud occurred at 865 feet presumably in the porous upper Coconino sand. This was effectively sealed with some lost circulation material. From 865 feet to total depth a weighted diesel-Invermul mud was used. A 8.7 lbs/gal weight and a viscosity of 41 cps was maintained to total depth. All free water was chemically bound in an emulsion so that any salt drilled would not be washed out of the samples, cores or the sides of the well bore. Coring and mechanical logging (Welex) were done without difficulty. Sample and core quality were good to excellent.

REMARKS:

The Aritex Development Corp. No. 2 Fee-Strat well is 400 feet north of the No. 1 Fee-Strat. It together with the No. 1 Fee-Strat will be utilized for propane storage. This will be accomplished by horizontal fracturing and washing out the intervening salt bed. A facies change in the upper part of the first massive salt bed occurred between the two wells. Essentially it is a shale wedge occurring at the very top of the bed.

Structurally on the base of the salt bed this well is 8 feet low to the No. 1 Fes-Strat. The massive salt bed has thinned from 37 feet in the No. 1 to 18 feet in the No. 2 (See accompanying Cross-section Exhibit 1).

An adequate anhydrite roof was found to carry across from this well to the first well. It occurred from 1018 to 1022 feet.

The core showed an excellent plane to hydraulically frac at 1099 feet. This is between the anhydrite floor and a thin overlying salt bed.

In washing, a considerable amount of debris (non-soluble material) will cave in and remain on the floor. Even with this it is believed that the cavity after washing will have a storage capacity in excess of 100,000 barrels of propane. Gas loss should be at a minimum due to the dense type anhydrite roof. A non-soluble shale will remain as a roof in the vicinity of the No. 2 Fes-Strat.

A small amount of gas loss can be expected in this area. The fact that the No. 1 well is structurally updip from the No. 2 will be an advantage. (See Exhibit No. 2 Cross-section for the inferred north-south shape of the storage cavity).

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CONCLUSIONS:

Although a rapid facies change occurred between the two wells it still leaves enough soluble material to make an adequate propane storage cavity. An excellent frac plane was found at 1099 feet (No. 2 well) between the lower salt bed and the anhydrite floor.

Robert E. Lauth

Robert E. Lauth
Certified Professional Geologist
A.I.P.G. No. 1366

Durango, Colorado
March 23, 1970

RECORD OF SAMPLE DESCRIPTION

PAGE NO. 1

SEC 6 TWP 17N RGE 21E LOCATION SENE; 4340FWL 2543 FNL
 FARM 2- Fee Strat NO. 2 ELEVATION 5077⁵ Grd.
 OWNER ARITEX Development Corp. STATE ARIZONA COUNTY Navajo
 SAMPLES FROM 40' TO 375' EXAMINED BY RELAUTH DATE 3-13-70

FROM	TO	DRLG TIME Min per 5 ft	LITHOLOGIC DESCRIPTION, FORMATION AND REMARKS
40	50	1	100 Gravels, pea & wheat size
50	60	1	100 ✓
60	70	1	100 ✓
70	80	1	100 ✓ TR red silty shale
80	90	1	60 Gravels & silt 40 Red brn shale
90	100	1	10 Gravels ✓ 90 Red brn shale v. silty
100	110	1	100 silty red shaly
110	120	1	90 Ss root beer col. vfg. hd. tight mil p&k 10 Sh. Brn silty
120	130	1	TR Ss 100 Sh dk brn w/ sd gr intercalc. in it.
130	140	1	100 Ss wht vfg. rnd good p&k wtr wet. TR DK Brn silty sh.
140	150	1	100 Ss ditto
150	160	1	100 Ss ditto
160	170	1	100 Ss ✓ fair p&k
170	180	1	100 Ss ✓ poor p&k - clay cement, silic. calc.
180	185	1	100 Ss ✓
185	195	6/5	100 Ss ✓ (poor smpl much cmt, & lost circ material)
195	205	3/8	100 Ss ✓
205	215	3/3	100 Ss wht vfg. med gr. 2-sr good p&k wtr wet
215	225	6/6	100 Ss & Buff ditto ✓
225	235	8/5	100 Ss ✓ ✓
235	245	5/5	100 Ss ✓ ✓
245	255	10/4	100 Ss ✓ ✓
255	265	3/7	100 Ss ✓ ✓
265	275	7/5	100 Ss wht vfg. well sorted fair p&k
275	285	5/5	100 Ss ditto ✓
285	295	5/5	100 Ss ✓ ✓
295	305	6/7	100 Ss ✓ ✓
305	315	9/10	100 Ss ✓ ✓
315	325	4/7	100 Ss ✓ ✓
325	335	8/10	100 Ss ✓ ✓
335	345	8/11	100 Ss wht vfg. rnd clay cmt poor p&k
345	355	7/15	100 Ss ditto ✓
355	365	15/5	100 Ss wht vfg. much silic. clay cmt v poor p&k
365	375	5/12	100 Ss ditto

DURANGO, COLORADO
 GEOLOGICAL CONSULTANT
 ROBERT E. LAUTH

RECORD OF SAMPLE DESCRIPTION

PAGE NO. 2

SEC. 6 TWP. 17N RGE. 21E LOCATION. SENE; 4340 FWL, 2543 FNL

FARM 2- Fee Strat NO. 2 ELEVATION 5077⁵ GRD.

OWNER ARITEX Development Corp STATE Arizona COUNTY Navajo

SAMPLES FROM 375' TO 715' EXAMINED BY R.E. LAUTH DATE 3-13-70

FROM	TO	DRLG. TIME Min per 2 ft.	LITHOLOGIC DESCRIPTION, FORMATION AND REMARKS
375	385	8/10	100 Ss. wht vfg rmd sli calc clay cmt. poor P&K
385	395	12/8	100 Ss ditto
395	405	6/9	100 Ss ditto
405	415	10/15	100 Ss ditto
415	425	9/8	100 Ss buff vfg to fvg rmd some calc clay cmt fair P&K
425	435	14/5	100 Ss ditto ✓
435	445	14/8	100 Ss ✓
445	455	17/10	100 Ss ✓
455	465	8/17	100 Ss ✓
465	475	3/4	100 Ss ✓
475	485	13/5	100 Ss ✓
485	495	3/7	100 Ss ✓
495	505	12/12	100 Ss ✓
505	515	10/15	100 Ss ✓
515	525	5/10	90 Ss red vfg rmd poor p&K 10 Sh. red, brown.
525	535	5/8	100 Ss ditto
535	545	15/18	100 Ss ✓
545	555	9/10	90 Ss ✓ 10 Sh. red, brown
555	565	10/15	100 Ss ✓
565	575	15/10	100 Ss red-brn vfg SR-R good p&K
575	585	10/10	100 Ss ditto ✓
585	595	15/5	100 Ss red brn, wht vfg v much clay cmt. poor p&K
595	605	13/15	100 Ss ditto ✓
605	615	15/10	90 Ss wht vfg firm 10 Gypsum wht soft.
615	625	15/10	100 Ss tan, v much clay cmt v poor-mil p&K
625	635	15/6	100 Ss salmon colored vfg SR-R fair p&K
635	645	9/8	100 Ss red-salmon col vfg rmd firm poor p&K some f-m gss.
645	655	12/11	100 Ss ditto ✓
655	665	14/7	100 Ss ✓
665	675	10/10	100 Ss ✓
675	685	6/9	100 Ss ✓ vfg much clay cmt sli calc. TR. gyp.
685	695	10/5	90 Ss ditto 10 Sh. red-brn
695	705	5/10	100 Ss wht-tan vfg firm fair p&K TR gyp.
705	715	10/15	100 Ss red-brn ditto ✓

DURANGO, COLORADO

GEOLOGICAL CONSULTANT

ROBERT E. LAUTH

RECORD OF SAMPLE DESCRIPTION

PAGE NO. 3

SEC. 6 TWP. 17N RGE. 21E LOCATION SENE; 4340 FWL 2543 FNL
 FARM 2 - Fee Street NO. 2 ELEVATION 5077' GRD
 OWNER ARITEX Development Corp. STATE Arizona COUNTY Navajo
 SAMPLES FROM 715' TO 1005' EXAMINED BY RFLAUTH DATE 3-13-70

FROM	TO	DRLG. TIME Min per 2 ft.	LITHOLOGIC DESCRIPTION, FORMATION AND REMARKS
715	725	15/17	100 Ss red brn vfg rmd fair p & k
725	735	26/26	100 Ss tan-red vfg much clay cont, much gypsum
735	745	20/10	100 Ss red-salmon cal vfg rmd firm poor p & k
745	755	12/8	90 Ss ditto & wht vfg rmd clay cont. 10 Sh red-brn
755	765	12/8	80 Ss ✓ 10 Sh ditto 10 Dol dk brn f. xln.
765	775	16/13	90 Ss ✓ silty in part 10 Sh ditto & wht-dry faren.
775	785	16/15	90 Ss ditto v. silty 10 Sh ditto TRLS mod.
785	795	15/25	40 Ss ditto 50 Siltst red-brn faren. 10 Sh brn-red
795	805	20/15	90 Sh red brn silty 10 Gypsum-whit.
805	815	15/10	60 Ss red brn vfg poor p & k 40 Sh brk red TR Gyp.
815	825	5/4	40 Ss ditto 40 Sh ditto 20 Siltst. ditto
825	835	5/5	50 Ss ✓ 10 Sh ✓ 30 Siltst ✓
835	845	8/10	40 Ss ✓ 10 Sh ✓ 50 Siltst ✓
845	855	25/15	60 Ss ✓ 10 Sh ✓ 20 Siltst ✓
855	865	10/15	60 Ss ✓ 10 Anhy-gry 10 Sh ✓ 20 Siltst ✓
865	870	1/10	90 Siltst red in part faren. 10 Gypsum wht. soft
870	880	16/9	90 Siltst red & gray ditto 10 Gypsum ✓
880	890	10/8	90 Siltst ditto 10 Gypsum ✓
890	900	12/12	50 Sh red soft. 50 Gypsum ✓
900	910	25/18	100 Sh ditto
910	920	33/29	100 Sh ditto
920	930	70/38	10 Sh red soft 90 Anhy f. xln gry-brn dolomitic
930	940	27/23	60 Sh red & gray 40 Anhy ditto & Gypsum wht soft
940	950	2/10	100 Sh red soft non calc powder like
950	960	10/3	100 Sh ditto
960	970	13/5	100 Sh ditto
970	980	3/5	100 Sh ditto
980	990	9/4	90 Sh ditto 10 Gypsum soft wht
990	1000	5/20	20 Salt wht clear 70 Sh ditto 10 Gypsum TR. Anhy
1000	1005	10/1	40 Salt wht clear 50 Sh ✓ 10 Gypsum wht.
(core time min/ft)			Core No. 1 1005 - 1050 cut 45' rec 45'
7-7-6-6-5-4	-5-5-6-5-8-6-6-7-4-4-4-4-4-5-5		
5-5-8-4-6-5	-5-4-4-5-4-4-4-5-5-4-4-5-4-5		
4-4-4-4-1			

NO 735

DURANGO, COLORADO

GEOLOGICAL CONSULTANT

ROBERT E. LAUTH

24

PAGE NO. 4.

DURANGO, COLORADO

[illegible]

GEOLOGICAL CONSULTANT

ROBERT E. LAUTH

RECORD OF SAMPLE DESCRIPTION

PAGE NO. 5.

SEC 6 TWP 17N RGE 21E LOCATION SE NE; 4340 FWL, 2543 FNL
 FARM 2-4cc Strat NO 2 ELEVATION 5077 ± GRD.
 OWNER Ari tex Development Corp. STATE Arizona COUNTY Navajo
 SAMPLES FROM 1071 TO 1140 EXAMINED BY R.E. Lauth DATE 3-16-70

FROM	TO	DRILL TIME Min-per-ft	LITHOLOGIC DESCRIPTION, FORMATION AND REMARKS
		Thickness	Core No. 2 cont.
1071	1076	15'	Salt, clear, fxl n with approx 40% red powdery shale intercalated throughout
1076	1088	118'	Salt & red shale as above (Salt & vertical shale) mixture approx 50-50
1088	1092	14'	Salt, red, pink clean fxl n, less than 5% minor red shale & anhy. incls. & streaks.
1092	1099	17'	Salt, clear with approx 25% red shale dispersed throughout. (halite & vertical sh.)
		1	@ 1092 1/2' a thin - gray-grn anhy. str.
1099	1100	11'	Anhy, gray with 1/8" bands of clear salt.
1100	1102	12'	Anhy, gray dns to fxl n grain.
1102	1104	12'	Anhy, gray & thin bands of clear salt.
1104	1105 1/2	1 1/2'	Salt clear to gray fxl n & clean.
1105 1/2	1107	1 1/2'	Anhy, gray, dns - fxl n
1107	1110	13'	Sand red silty vfg tight, with approx 10% salt dispersed throughout, healed frac. (Sand & vertical halite.)
		1	
		1	
		1	
		-1-	Sample Description -
		1	
1110	1120	6 1/4	100 Ss red silty vfg tight no pdk TR Gypsum
1120	1130	17 1/8	80 Ss ditto vshaly 20 Anhy & Gypsum
1130	1140	12 1/9	50 Sltst facen. 50 Anhy & Gypsum
		1	
		1	T.D. Driller 1140'
		1	
		1	
		1	
		1	
		1	
		1	
		1	

DURANGO, COLORADO
 GEOLOGICAL CONSULTANT
 ROBERT E. LAUTH

March 26, 1970

Samples from the following well have been
received at the cut.

Aritex Development Corp.
#2 Fee Strat
Sec. 6-17N-21E
Navajo Co. Arizona

J. R. Ratcliff
FOUR CORNERS SAMPLE CUT ASSOCIATION
P. O. BOX 899
FARMINGTON, NEW MEXICO

532

March 26, 1970

Re: Aritex Development #1 Fee Strat
NE/4 SE/4 6-17N-21E
Navajo County
Permit #530

Aritex Development #2 Fee Strat
SE/4 NE/4 6-17N-21E
Navajo County
Permit #532

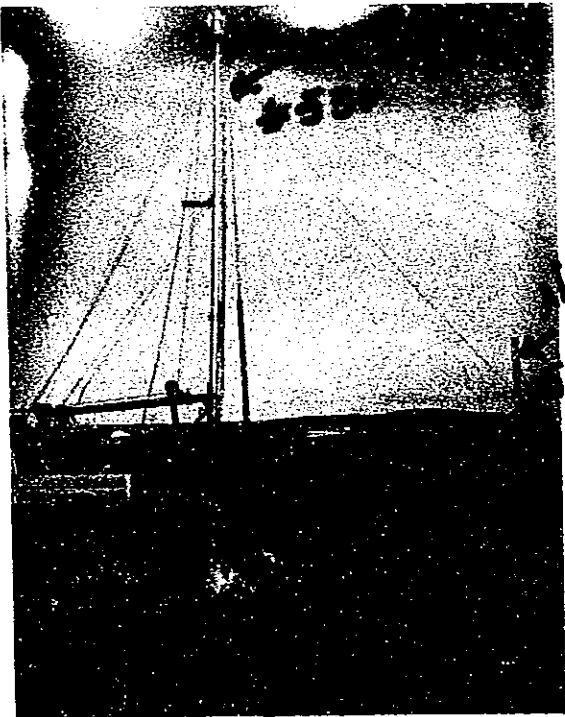
Mr. Tom Martin called to inform us that on Tuesday last they had succeeded in establishing communications between the #1 and the #2 wells, which are located 400' apart. Mr. Martin indicated that pressure was applied (by Halliburton) and after reaching a pressure of about 1500 pounds, the water broke through from the #2 well into the #1 well. This took about 5 minutes after they began to pressure up. The 2 wells have now been put on a common pump which is apparently positioned between the 2 wells in such a way that it can push water in either direction. Currently the pump (a piston pump) is pumping about 200 gallons of water per minute down the #2 well and through the #1 well with a discharge pressure of about 160 pounds.

All seems to be going well and they are pleased with the ease with which they have managed to establish this communication.

Mr. Martin said that they had walked around the area on the surface to inspect for seepage and had found no seepage.

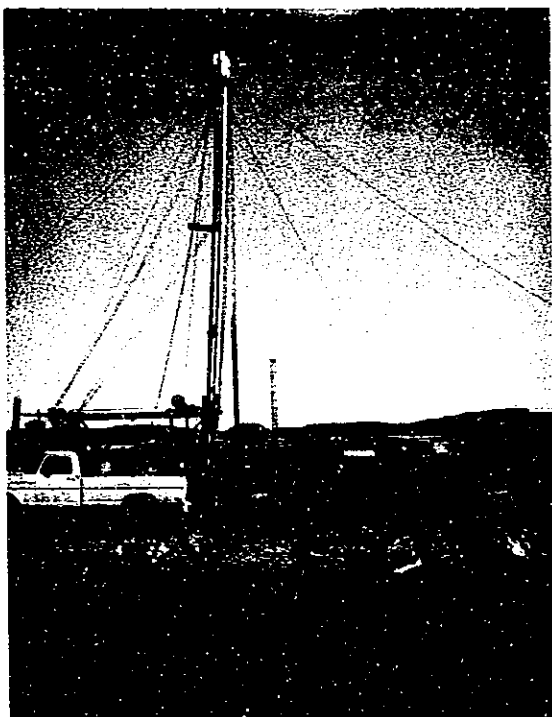
He is living in a trailer in Holbrook (telephone 524-3518). He is bringing his family up shortly from Houston.

In answer to some apparent inquiry from Mr. Bannister, Mr. Martin stated that information regarding the water well had been put in the mail yesterday at Houston. We should be receiving it within a day or so.



Aritep

10
2
32



637

Aritex #1 Fee
#530

phone from Jim Baldery
3-6-70
9:15 AM

TD 1100'

Cocaine 138' to 725' (wet)

Salt 1025'

7" (20lb) casing set to 1026'

with 175 SX Cement (75 SX light
100 SX regular)

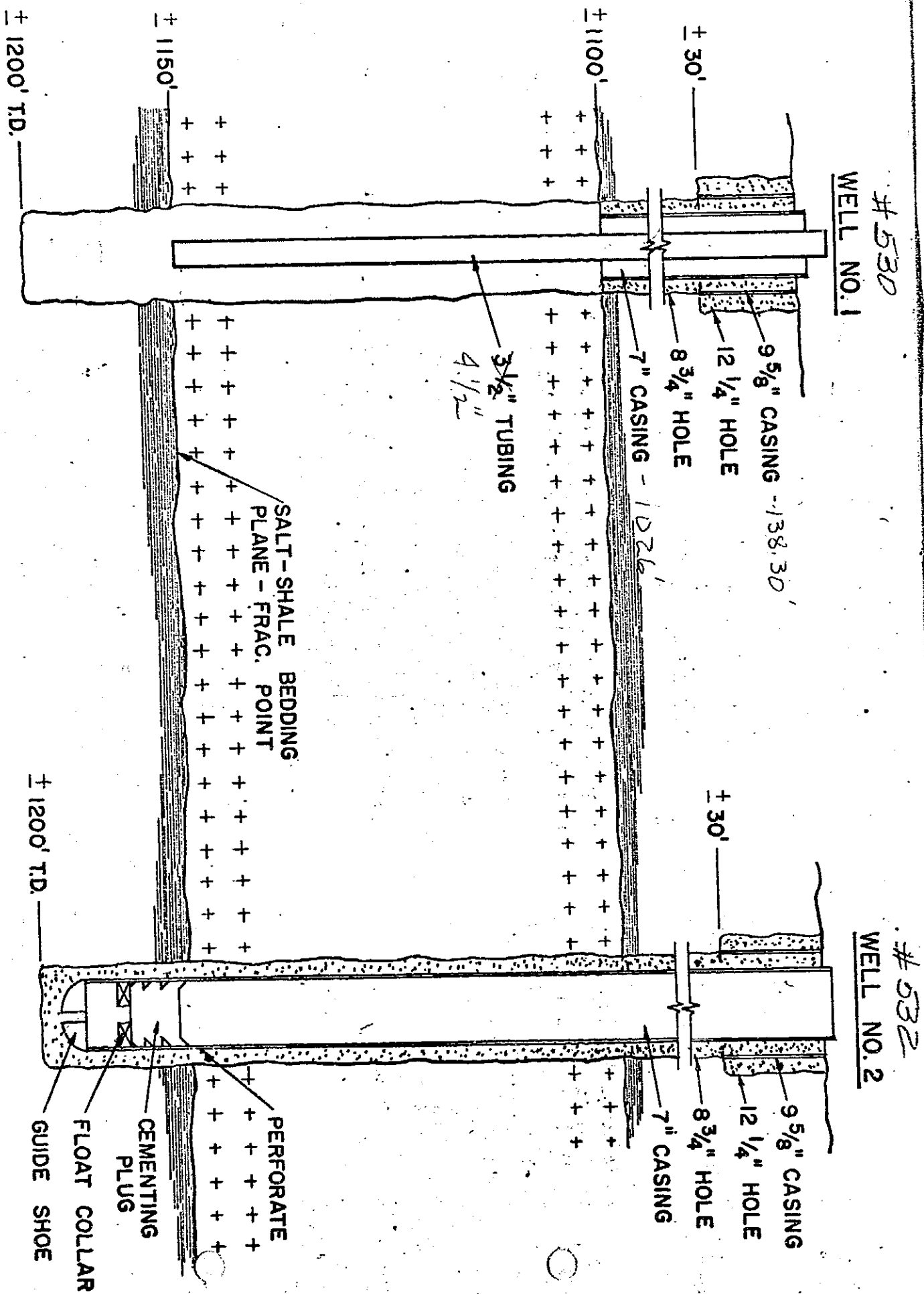
will drill out plug 3-7-70

will set 4 1/2" tubing to 1062'

will drill 2nd well 400' to North
frack into Salt. Water will be circulated
between 2 wells until communication
established. Two temporary pits established
for this purpose.

When cavity being created a 200,000 bbl.
pit will be made - salt will be
sold after evaporation

New well 4239.83' f W, 2542.82' f N
Sec 6, 17 N, 24 E



SOLUTION WELL SCHEMATIC PREPARATORY TO FRACTURING

PROPOSED DEVELOPMENT OF SOLUTION WELLS

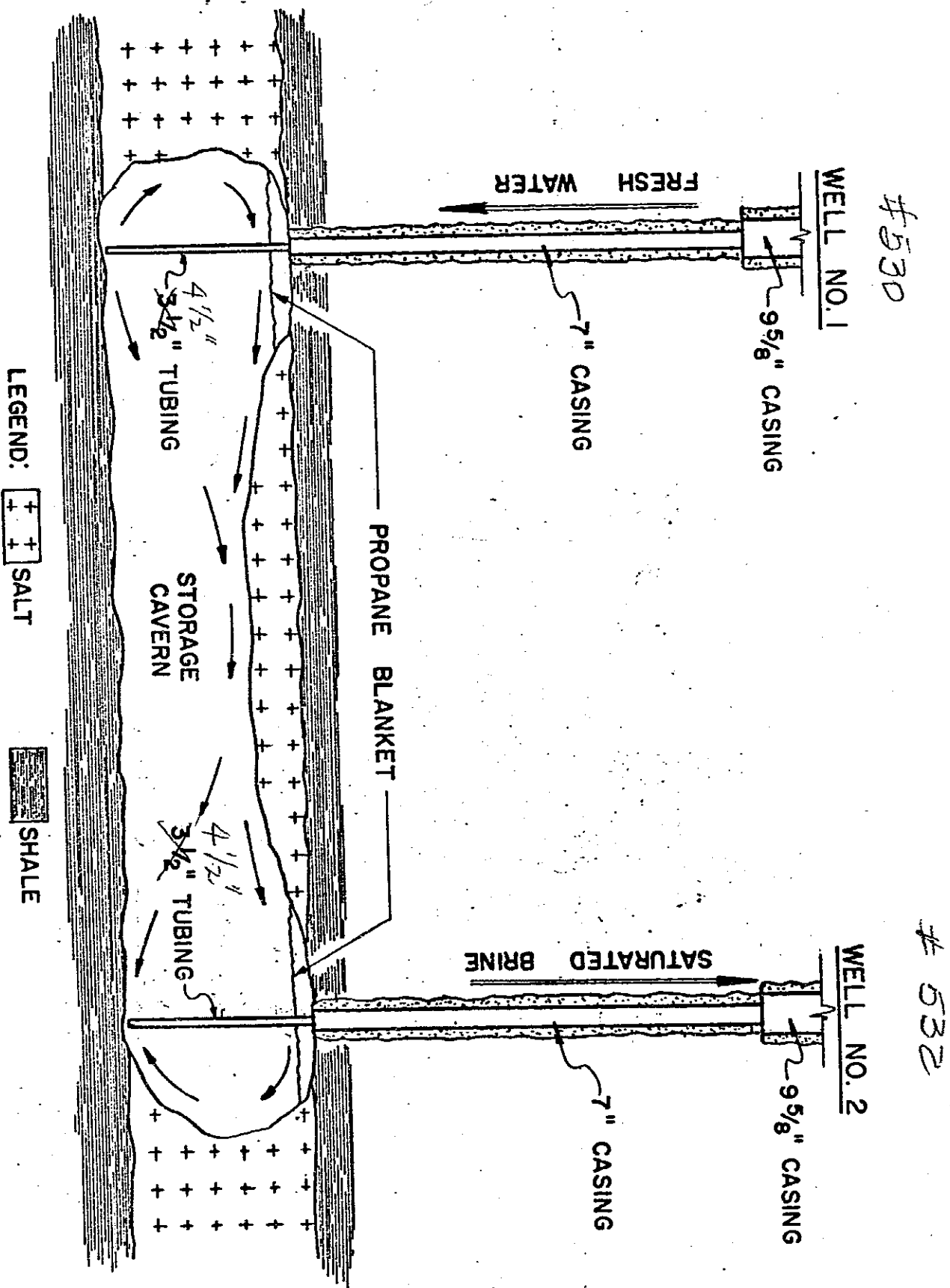


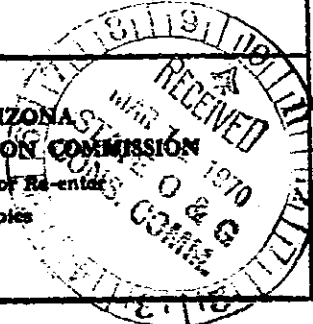
FIG. 2

2 665' TD on 3-10-70

will produce from either well
into 30000 gal tank - load from
tank into train or truck

APPLICATION FOR PERMIT TO DRILL OR RE-ENTER		
APPLICATION TO DRILL <input checked="" type="checkbox"/> X	RE-ENTER OLD WELL <input type="checkbox"/>	
ARITEX DEVELOPEMENT CORP NAME OF COMPANY OR OPERATOR		
301 Sharpstown Bank Bldg.	Houston	Texas
Address	City	State
Jewell Adkison Drilling Contractor		
Albuquerque, New Mexico Address		
DESCRIPTION OF WELL AND LEASE		
Federal, State or Indian Lease Number, or if fee lease, name of lessor See Remarks	Well number 2	Elevation (ground) 5077.60'
Nearest distance from proposed location to property or lease line: 100' FN property line 100' FW property line	Distance from proposed location to nearest drilling, completed or applied—for well on the same lease: 400 feet	
Number of acres in lease: 15.72 AC See Remarks	Number of wells on lease, including this well, completed in or drilling to this reservoir: 2	
If lease, purchased with one or more wells drilled, from whom purchased: None		
Well location (give footage from section lines) 4339.82 FWL 2542.82 FNL	Section—township—range or block and survey Sec6 T 17N R21E	Dedication (Comply with Rule 165)
Field and reservoir (if wildcat, so state) Wildcat br Salt	County Navajo	
Distance, in miles, and direction from nearest town or post office 1/2 Miles East Holbrook		
Proposed depth: 1200	Rotary or cable tools Rotary	Approx. date work will start 3-10-70
Bond Status Amount \$5000.00	Organization Report On file <input checked="" type="checkbox"/> Or attached	Filing Fee of \$25.00 Attached \$25.00
Remarks: This 15.72 Acres is owned by Victor H. Gerwitz and wife, Lamerle W. Gerwitz. It is under option to H. Norman Eagleton and wife, Janet G Eagleton. If sufficient salt is found when well is drilled to develop Liquified Petroleum Storage, the 15.72 Ac. will be purchased by Eagleton's exercising option.		
CERTIFICATE: I, the undersigned, under the penalty of perjury, state that I am the <u>Drilling Supt.</u> of the <u>ARITEX DEVELOPEMENT CORP*</u> (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.		
* A proprietorship owned wholly by H. Norman Eagleton. <i>Verbal approval</i> <i>3-9-70 JEB</i>		Signature <i>James Buldry</i> Date <i>3-10-70</i>
Permit Number: 532	Approval Date: 3-11-70	
Approved By: <i>John R. Bannister</i>		Notice: Before sending in this form be sure that you have given all information requested. Much unnecessary correspondence will thus be avoided.
Form No. 3		

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION
Application to Drill or Re-enter
File Two Copies



1. Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
3. All distances shown on the plat must be from the outer boundaries of the Section.
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES X NO _____
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES _____ NO _____ If answer is "yes," Type of Consolidation _____
6. If the answer to question four is "no," list all the owners and their respective interests below:

Owner	Land Description
	<p style="text-align: center;">CERTIFICATION</p> <p>I hereby certify that the information above is true and complete to the best of my knowledge and belief.</p> <p>Name _____</p> <p>Position _____</p> <p>Company _____</p> <p>Date _____</p> <p>I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.</p> <p style="text-align: right;"><i>[Signature]</i></p> <p>Date Surveyed <u>1-31-70</u></p> <p>Registered Professional Engineer and/or Land Surveyor</p> <p style="text-align: right;"><u>Land Surveyor</u></p> <p>Certificate No. <u>5704</u></p>

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
9 5/8"	32	H 40	0	185	185	125
7"	20	J 55	0	1100	1100	200
		{				

1. Operator shall outline the dedicated acreage for both oil and gas wells on the plat.
2. A registered professional engineer or land surveyor registered in the State of Arizona or approved by the Commission shall show on the plat the location of the well and certify this information in the space provided.
3. All distances shown on the plat must be from the outer boundaries of the Section.
4. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES X NO _____
5. If the answer to question four is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES _____ NO _____ If answer is "yes," Type of Consolidation _____
6. If the answer to question four is "no," list all the owners and their respective interests below:

Owner	Land Description
	SE 1/4 NE 1/4 SEC. 6, T17N R21E

CERTIFICATION

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Name _____

Position _____

Company _____

Date _____

I hereby certify that the well location shown on the plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

[Signature]

Date Surveyed 1-31-70

Registered Professional Engineer and/or Land Surveyor

Land Surveyor

Certificate No. 5704

PROPOSED CASING PROGRAM

Size of Casing	Weight	Grade & Type	Top	Bottom	Cementing Depths	Sacks Cement
9 5/8"	32	H 40	0	185	185	125
7"	20	J 55	0	1100	1100	200



PERMIT TO DRILL

This constitutes the permission and authority from the
OIL AND GAS CONSERVATION COMMISSION,
STATE OF ARIZONA,

To: ARITEX DEVELOPMENT CORPORATION
(OPERATOR)

to drill a well to be known as

ARITEX DEVELOPMENT CORPORATION #2 YEE STRAT
(WELL NAME)

located 4339 PUL - 2542 PUL

Section 6 Township 17N Range 21E NAVAJO County, Arizona.

The STRAT of said
Section, Township and Range is dedicated to this well.

Said well is to be drilled substantially as outlined in the attached Application and must be drilled
in full compliance with all applicable laws, statutes, rules and regulations of the State of Arizona.

Issued this 11th day of March, 1970.

OIL AND GAS CONSERVATION COMMISSION

By

John Kannerster
EXECUTIVE SECRETARY

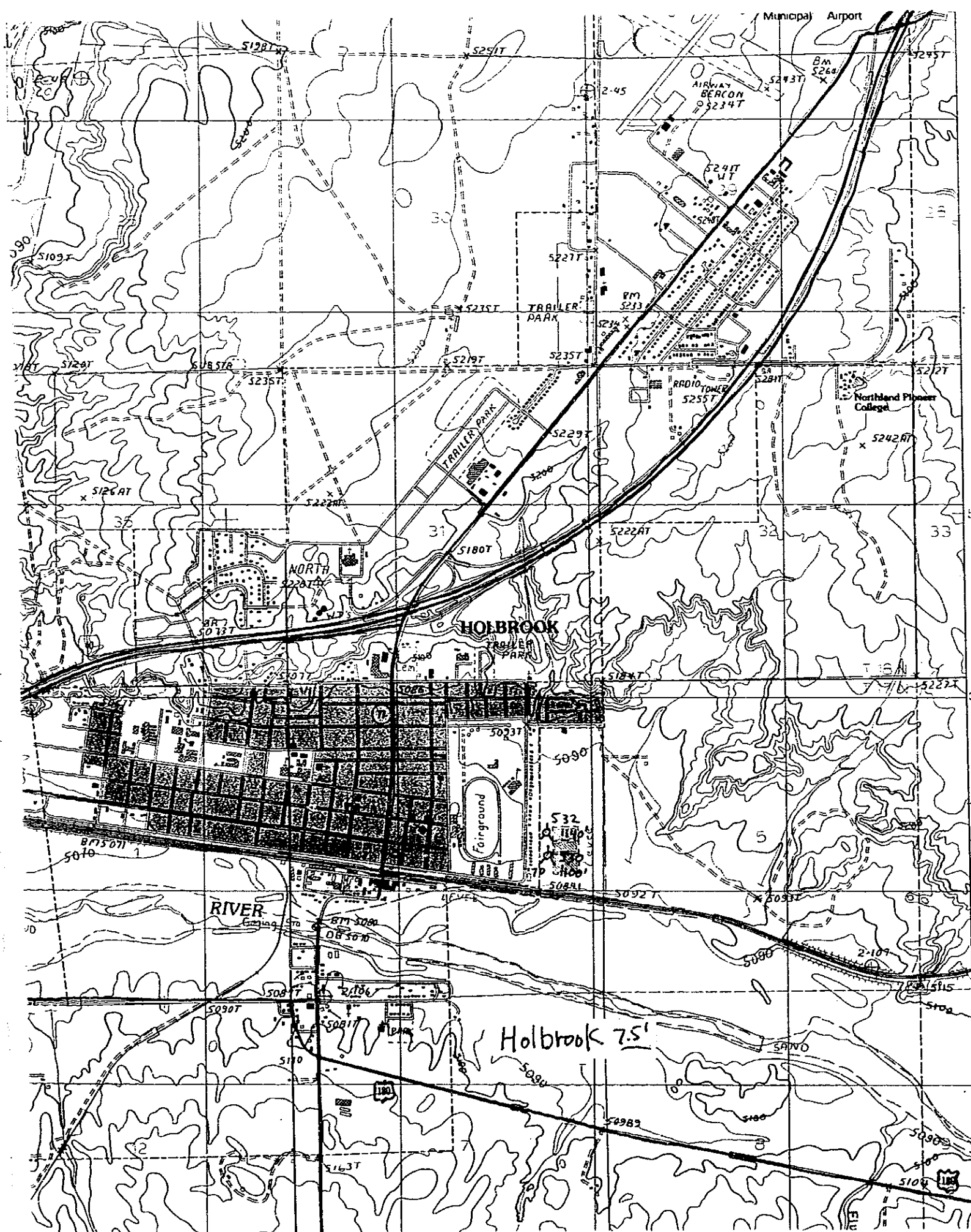
PERMIT N° 532

RECEIPT NO. 2866
API No. 02-017-20004

State of Arizona
Oil & Gas Conservation Commission
Permit to Drill

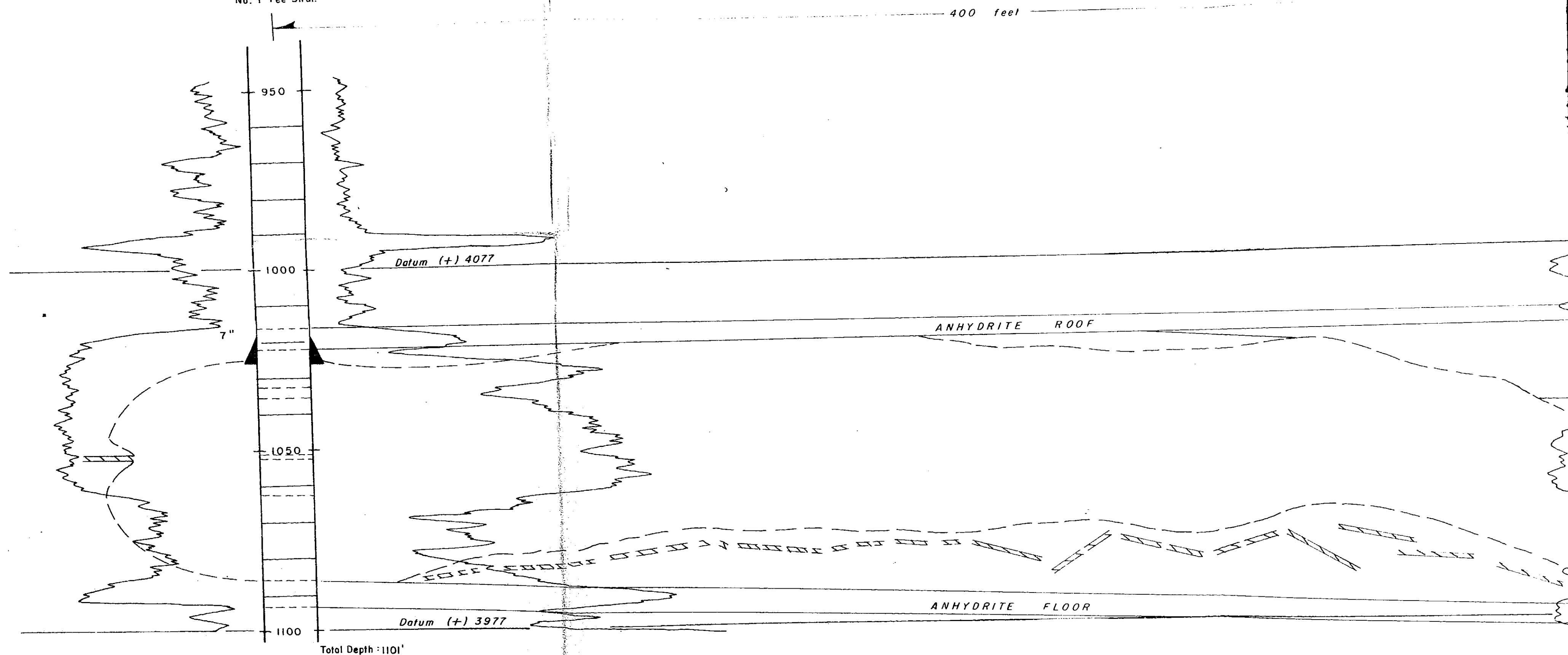
FORM NO. 27

SAMPLES ARE REQUIRED



SOUTH

ARITEX Development Corp.
NESE Sec. 6 - 17 N - 21 E
Navajo County, Arizona
No. 1 Fee Strat.



ARITEX DEVELOPMENT CORPORATION
PROPANE STORAGE AREA
HOLBROOK, ARIZONA

INFERRED NORTH-SOUTH CONFIGURATION
OF THE PROPANE STORAGE CAVITY AFTER
WASHING.

SCALE: Horizontal & Vertical: 5" = 100 feet

NORTH

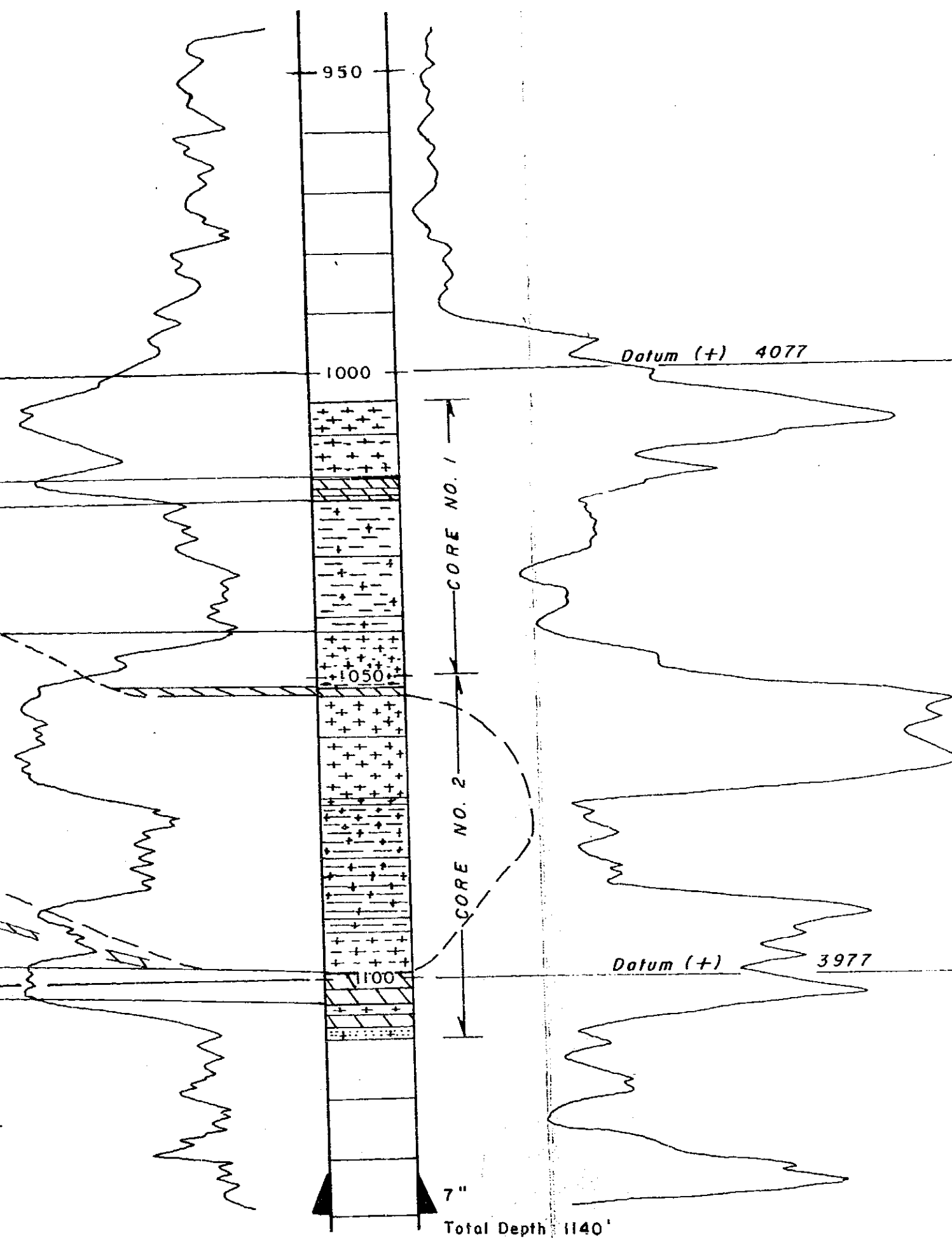
ARITEX Development Corp.
SENE Sec. 6-17N-21E
Navajo County, Arizona
No. 2 Fee Strat

0 feet

DRITE ROOF

DRITE FLOOR

INFERRED NORTH-SOUTH CONFIGURATION
OF THE PROPANE STORAGE CAVITY AFTER
WASHING.



LEGEND

- SHALE & VERTICAL SALT
- SALT & VERTICAL SHALE
- SHALE
- ANHYDRITE
- SALT

EXHIBIT II

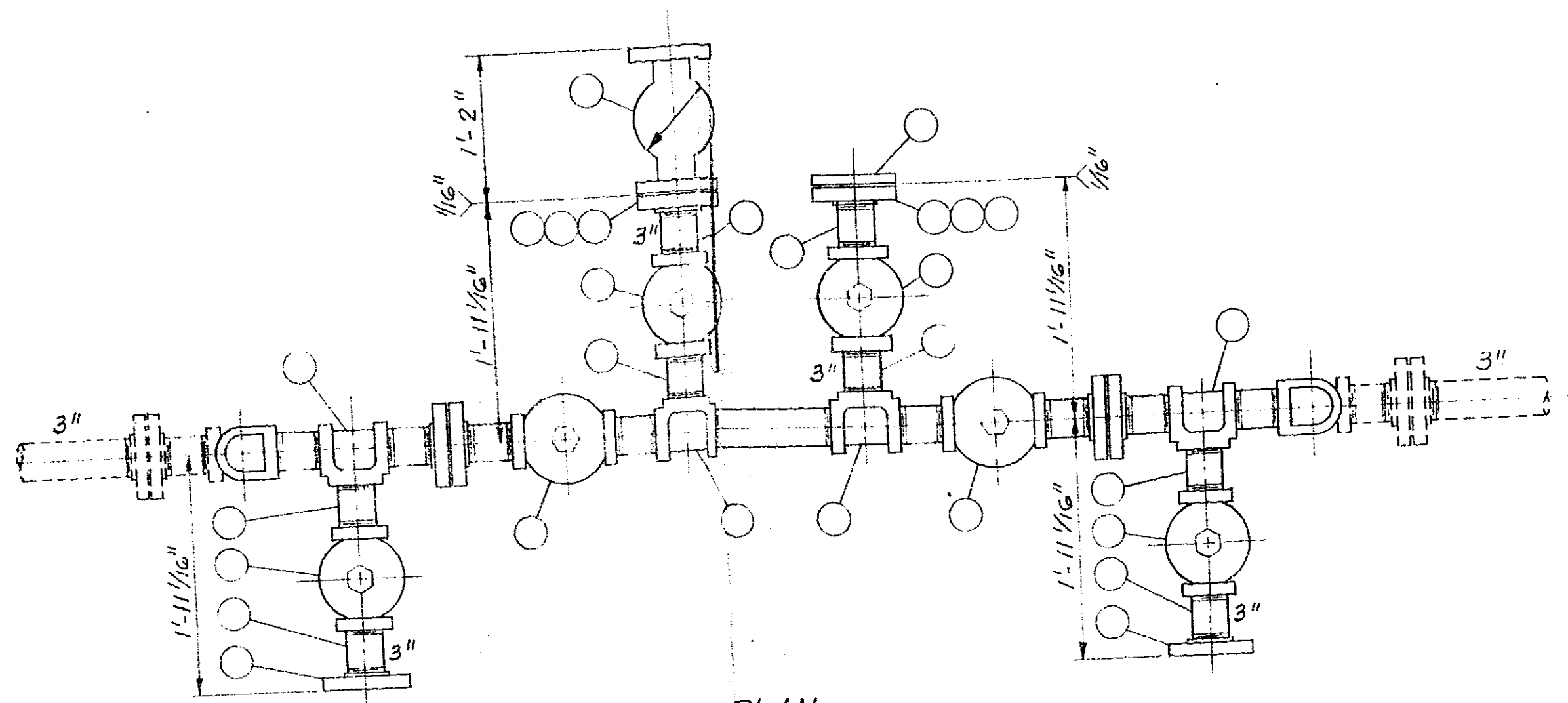
Robert E. Routh

ARITEX
SE NE

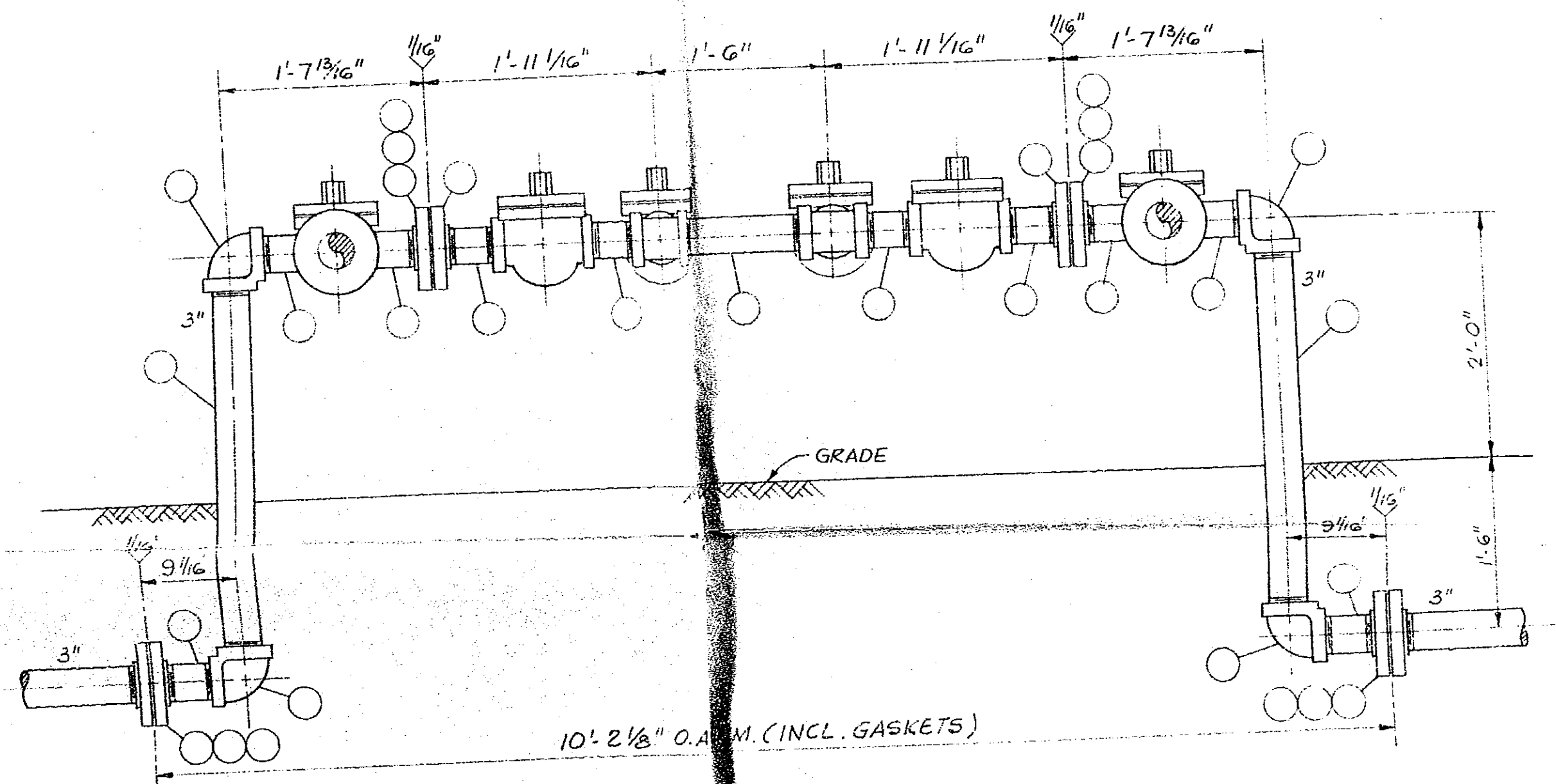
BILL OF MATERIAL

MK.	QTY REQ	SIZE	DESCRIPTION
-----	---------	------	-------------

2 3" check valves
 4 3" plug valves
 3 2" plug valves
 3 2" ball valves
 3 3"



PLAN



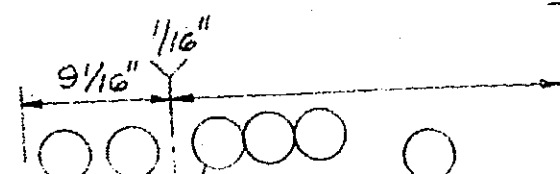
ELEVATION

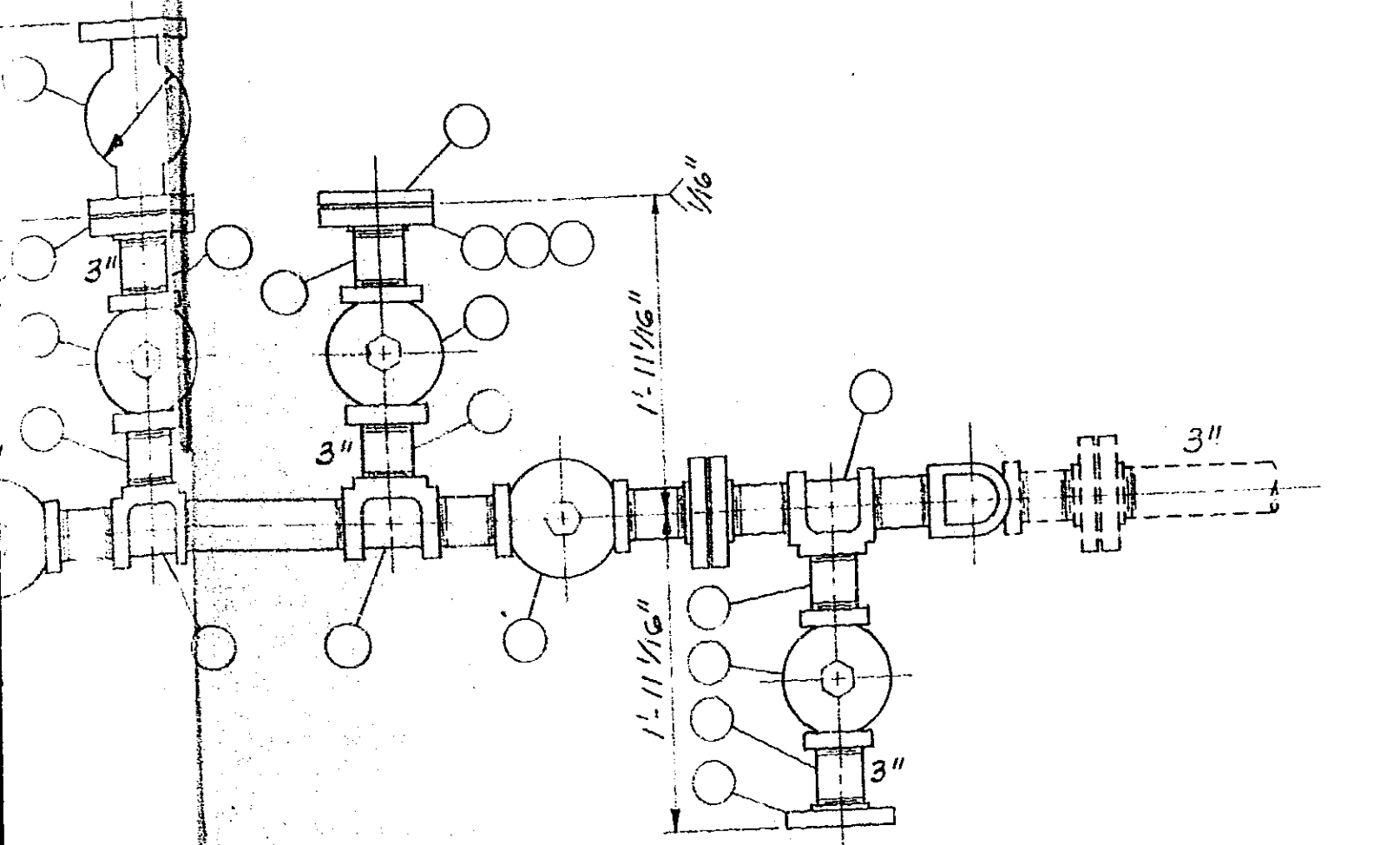
DETAIL "A"

SCALE: 1"=1'-0"

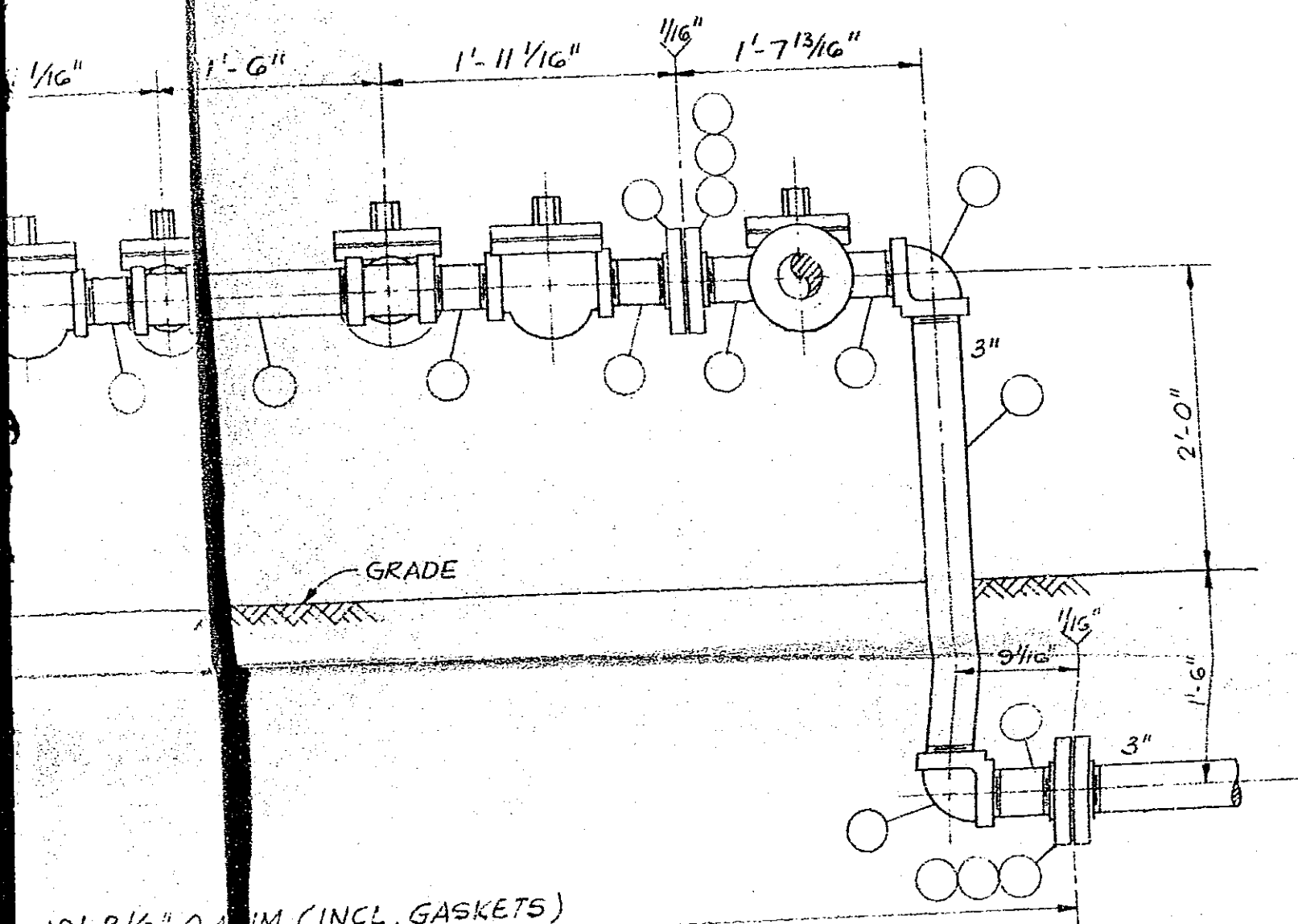
ON
 CULATION & CONN.
 PUMP DURING
 PMENT.

RAGE TANK





PLAN



GRADE

ELEVATION

DETAIL "A"

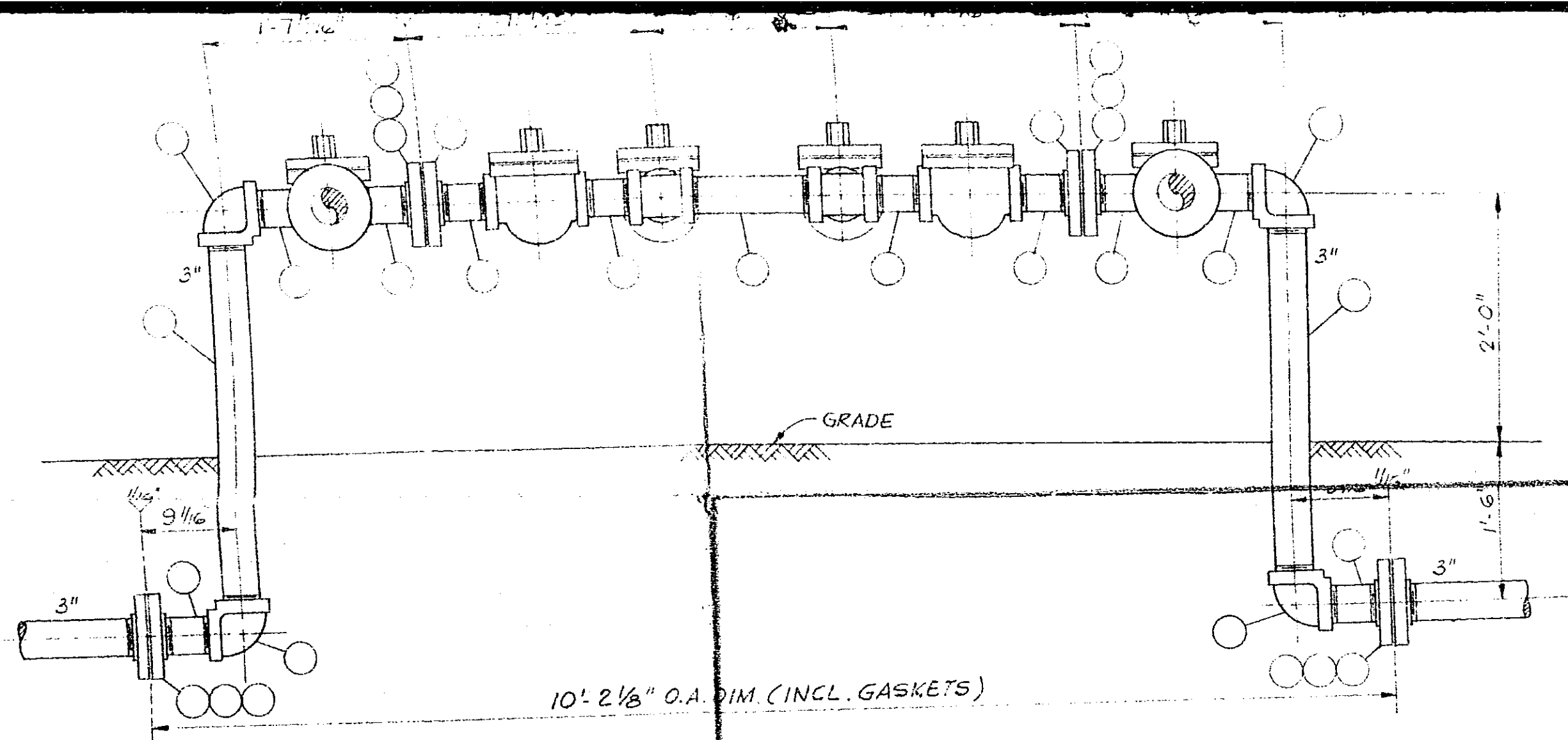
SCALE: 1" = 1'-0"

BILL OF MATERIAL

MK.	QTY. REQ.	SIZE	DESCRIPTION
-----	-----------	------	-------------

			In stock
2		3"	check valves
4		3"	plug valves
3		2"	plug valves
3		2"	ball valves
3		3"	

IN
CULATION & CONN.
PUMP DURING
MENT.



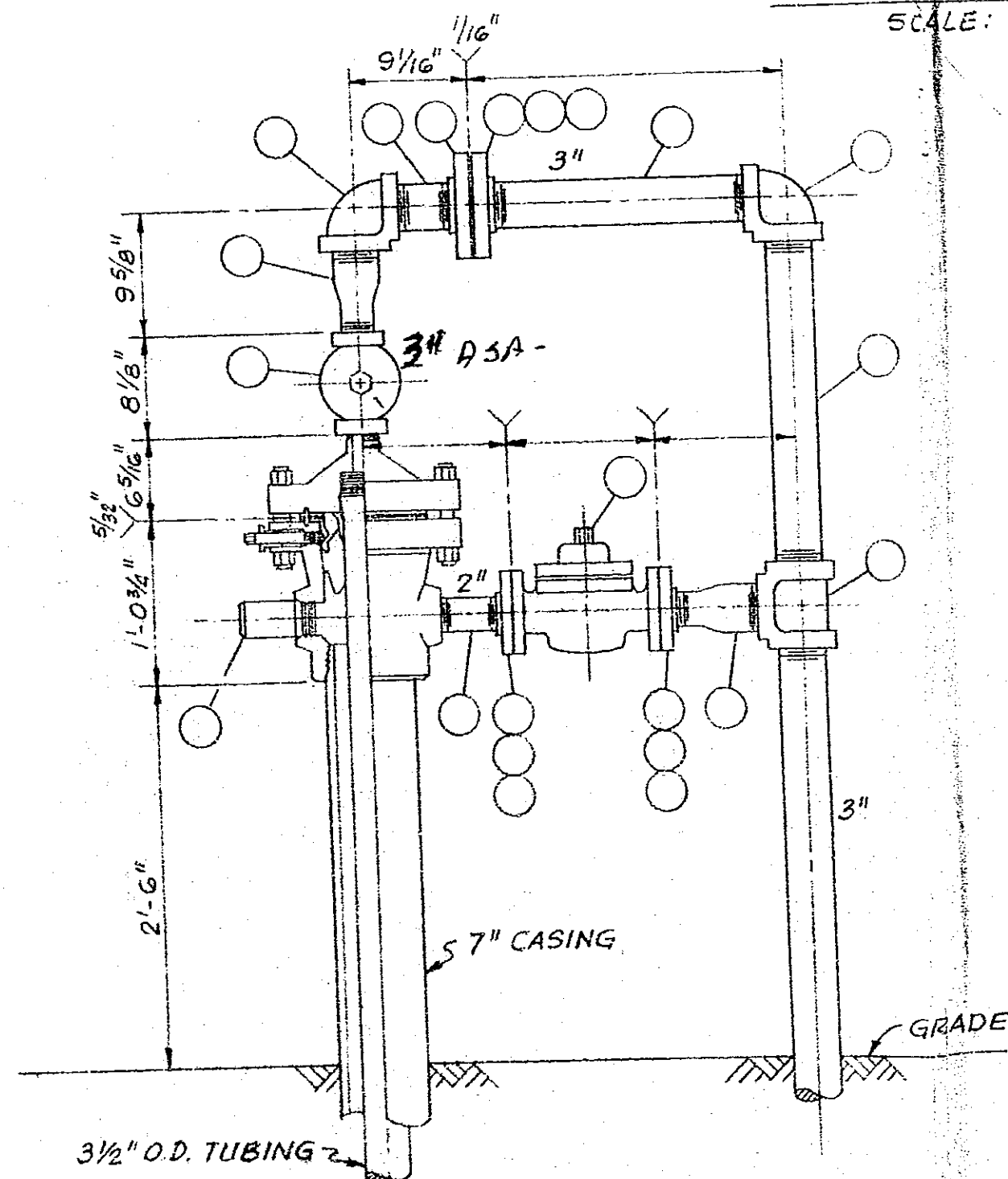
ELEVATION

DETAIL "A"

SCALE: 1"=1'-0"

AGE TANK

CIRCULATING PUMP



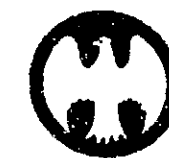
DETAIL "B"

SCALE: 1"=1'-0"

PRELIMINARY

FEB 02 1970

REV. NO.	REVISION	BY	DATE	CHKD.

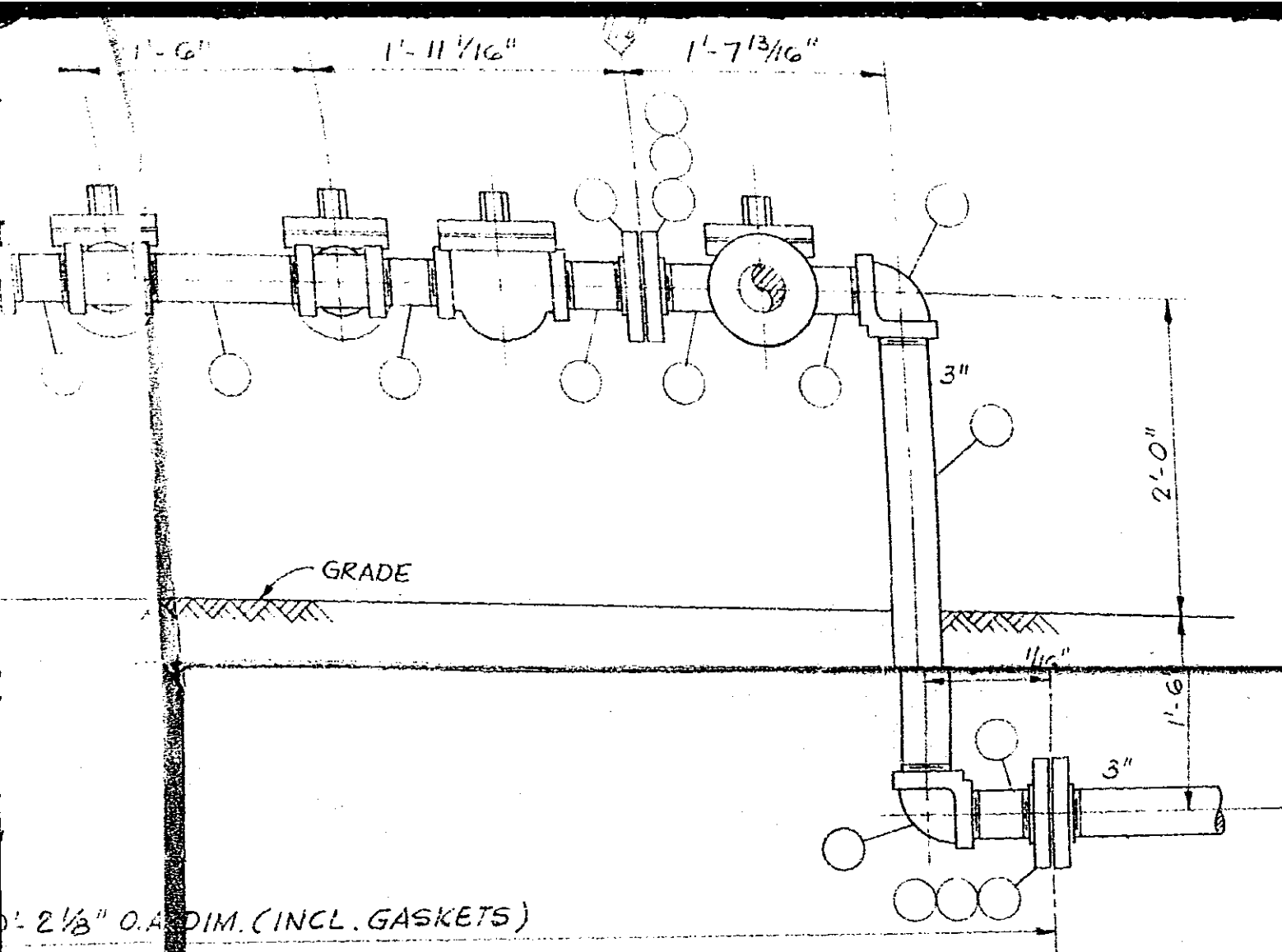


Eagleton Engineering Co.

HOUSTON, TEXAS

BY	DATE	DRAWN	CHECKED	APPROVED	SCALE	PROJECT

EL.
N-21



ELEVATION

DETAIL "A"

SCALE: 1"=1'-0"

PRELIMINARY

FEB 02 1970

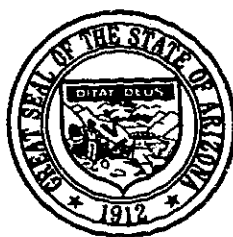
REV. NO.	REVISION	BY	DATE	CHKD.

Eagleton Engineering Co.

HOUSTON, TEXAS

BY	DATE	DRAWN	CHECKED	APPROVED	SCALE	PROJECT No.	DRAWING NUMBER	REV.

ATTEN DEVEL.
SE NE 6-17N-21



Fife Symington
Governor

State of Arizona
Arizona Geological Survey

416 W. Congress, Suite 100
Tucson, Arizona 85701
(520) 770-3500



Larry D. Fellows
Director and State Geologist

April 15, 1996

Fax memo: Paul Rowe
Roy E. Ladd, Inc.
Fax No. 520-524-3437

14 pages total

From: *SLR* Steven L. Rauzi, Oil & Gas Administrator
Fax No. 520-770-3505

Re: Our discussion of Aritex wells near Holbrook

The information we discussed when I was in Holbrook last Thursday and in my phone call this morning is attached. The information includes the applications to drill, plug & abandon, and plugging records for the two Aritex wells; two schematic drawings of the proposed storage cavity between the wells; the preliminary project plan showing the two wells near the ne and se corners of the surface ponds; and the Holbrook 7.5-minute quadrangle showing my plots of the footages in the applications to drill and the new plots based on the Aritex plan.

Since I did not have the Aritex plan, I did not check the ne and se corners of the ponds, just the plots west of the ponds on the attached topo sheet. As a result, I would appreciate your checking for the two abandoned wells near the ne and se corners of the pond and letting me know what you find. A photograph of the abandonment markers (4" diameter pipe at least 4' above ground level) if they exist.

I look forward to hearing from you soon.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS

Bond Serial No. 29-0130-153-70

That we: EAGLETON ENGINEERING CO.

of the County of Harris in the State of Texas

as principal, and UNITED STATES FIDELITY AND GUARANTY COMPANY

of Baltimore, Maryland

AUTHORIZED TO DO BUSINESS WITHIN the State of Arizona.

as surety, are held and firmly bound unto the State of Arizona and the Oil and Gas Conservation Commission, hereinafter referred to as the "Commission", in the penal sum of FIVE THOUSAND AND NO/100 --- (\$5,000.00) lawful money of the United States, for which payment, well and truly to be made, we bind ourselves, and each of us, and each of our heirs, executors, administrators or successors, and assigns jointly and severally, firmly by these presents.

The conditions of this obligation are that, whereas the above bounden principal proposes to drill a well or wells for oil, gas or stratigraphic purposes in and upon the following described land situated within the State, to-wit: Well No. 2,

SE 1/4 Section 6 Township 17 North Range 21 East, Navajo County, Arizona

(May be used as blanket bond or for single well)

NOW, THEREFORE, if the above bounden principal shall comply with all the provisions of the Laws of this State and the rules, regulations and orders of the Commission, especially with reference to the requirements of A.R.S. § 27-516, providing for the proper drilling, casing and plugging of said well or wells, and filing with the Oil and Gas Conservation Commission all notices and records required by said Commission, then in the event said well or wells do not produce oil or gas in commercial quantities, or cease to produce oil or gas in commercial quantities, this obligation is void; otherwise it shall remain in full force and effect.

Whenever the principal shall be, and declared by the Oil and Gas Conservation Commission in violation of the Laws of this State and the rules, regulations and orders of the Commission, the surety shall promptly:

1. Remedy the violation by its own efforts, or
2. Obtain a bid or bids for submission to the Commission to remedy the violation, and upon determination by the Commission and the Surety of the lowest responsible bidder, arrange for a contract between such bidder and the Commission, and make available as work progresses sufficient funds to pay the cost of remedying the violation; but not exceeding, including other costs and damages for which the surety may be liable hereunder, the amount set forth in the first paragraph hereof.

Liability under this bond may not be terminated without written permission of this Commission.

WITNESS our hands and seals, this 2 day of March, 1970

EAGLETON ENGINEERING CO.

BY: *Norman Eggleston*

Principal

WITNESS our hands and seals this 2 day of March, 1970

UNITED STATES FIDELITY AND GUARANTY COMPANY

DATE 3-4-74

BY: *Alfreda Mills*

Attorney-in-Fact

COUNTERSIGNED BY: *A. H. Eggleston*

Surety, Resident Arizona Agent
If issued in a state other than Arizona)

(If the principal is a corporation, the bond should be executed by its duly authorized officers, with the seal of the corporation affixed. When principal or surety executes this bond by agent, power of attorney or other evidence of authority must accompany the bond.)

Approved Date 3-11-70

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

By: *John Kannerster*

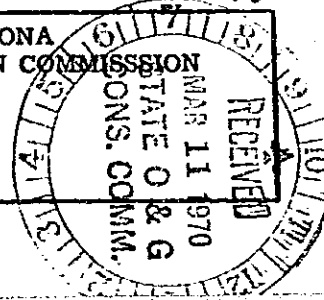
Permit No. 532

STATE OF ARIZONA
OIL & GAS CONSERVATION COMMISSION

Bond

File Two Copies

Form No. 2



CERTIFIED COPY

GENERAL POWER OF ATTORNEY

No. 75048

Know all Men by these Presents:

That UNITED STATES FIDELITY AND GUARANTY COMPANY, a corporation organized and existing under the laws of the State of Maryland, and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint
Alfreda Mills

of the City of **Houston**, State of **Texas**
its true and lawful attorney ~~in and for the State of Texas~~

for the following purposes, to wit:

To sign its name as surety to, and to execute, seal and acknowledge any and all bonds, and to respectively do and perform any and all acts and things set forth in the resolution of the Board of Directors of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, a certified copy of which is hereto annexed and made a part of this Power of Attorney; and the said UNITED STATES FIDELITY AND GUARANTY COMPANY, through us, its Board of Directors, hereby ratifies and confirms all and whatsoever the said

Alfreda Mills

may lawfully do in the premises by virtue of these presents.

In Witness Whereof, the said UNITED STATES FIDELITY AND GUARANTY COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice-President and Assistant Secretary, this **25th** day of **October**, A. D. 19**62**

UNITED STATES FIDELITY AND GUARANTY COMPANY.

(Signed) By **A. C. Holmes**
Vice-President.

(SEAL) (Signed) **E. W. Buffington**
Assistant Secretary.

STATE OF MARYLAND, }
BALTIMORE CITY, } 55:

On this **25th** day of **October**, A. D. 19**62**, before me personally came **A. C. Holmes**, Vice-President of the UNITED STATES FIDELITY AND GUARANTY COMPANY and **E. W. Buffington**, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said that they resided in the City of Baltimore, Maryland; that they, the said **A. C. Holmes** and **E. W. Buffington** were respectively the Vice-President and the Assistant Secretary of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so fixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice-President and Assistant Secretary, respectively, of the Company. My commission expires the first ~~Monday in May, A. D. 1963.~~

(SEAL) (Signed) **Anne M. O'Brien**
Notary Public.

STATE OF MARYLAND }
BALTIMORE CITY, } 56:

I, **James F. Carney**, Clerk of the Superior Court of Baltimore City, which Court is a Court of Record, and has a seal, do hereby certify that **Anne M. O'Brien**, Esquire, before whom the annexed affidavits were made, and who has thereto subscribed his name, was at the time of so doing a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and sworn and authorized by law to administer oaths and take acknowledgments, or proof of deeds to be recorded therein. I further certify that I am acquainted with the handwriting of the said Notary, and verily believe the signature to be his genuine signature.

In Testimony Whereof, I hereto set my hand and affix the seal of the Superior Court of Baltimore City, the same being a Court of Record, this **25th** day of **October**, A. D. 19**62**

(SEAL) (Signed) **James F. Carney**
Clerk of the Superior Court of Baltimore City.

COPY OF RESOLUTION

That Whereas, it is necessary for the effectual transaction of business that this Company appoint agents and attorneys with power and authority to act for it and in its name in States other than Maryland, and in the Territories of the United States and in the Provinces of the Dominion of Canada and in the Colony of Newfoundland.

Therefore, be it Resolved, that this Company do, and it hereby does, authorize and empower its President or either of its Vice-Presidents in conjunction with its Secretary or one of its Assistant Secretaries, under its corporate seal, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of said Company, in its name and as its act, to execute and deliver any and all contracts guaranteeing the fidelity of persons holding positions of public or private trust, guaranteeing the performances of contracts other than insurance policies and executing or guaranteeing bonds and undertakings, required or permitted in all actions or proceedings, or by law allowed, and

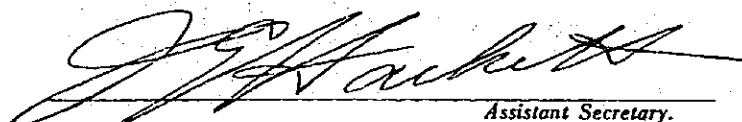
Also, in its name and as its attorney or attorneys-in-fact, or agent or agents to execute and guarantee the conditions of any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of either of the same, which are or may by law, municipal or otherwise, or by any Statute of the United States or of any State or Territory of the United States or of the Provinces of the Dominion of Canada or of the Colony of Newfoundland, or by the rules, regulations, orders, customs, practice or discretion of any board, body, organization, office or officer, local, municipal or otherwise, be allowed, required or permitted to be executed, made, taken, given, tendered, accepted, filed or recorded for the security or protection of, by or for any person or persons, corporation, body, office, interest, municipality or other association or organization whatsoever, in any and all capacities whatsoever, conditioned for the doing or not doing of anything or any conditions which may be provided for in any such bond, recognizance, obligation, stipulation, or undertaking, or anything in the nature of either of the same.

I, **J. E. Hackett**, an Assistant Secretary of the UNITED STATES FIDELITY AND GUARANTY COMPANY, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney given by said Company to **Alfreda Mills**

of **Houston, Texas**, authorizing and empowering **her** to sign bonds as therein set forth, which power of attorney has never been revoked and is still in full force and effect.

And I do further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company, duly called and held at the office of the Company in the City of Baltimore, on the 11th day of July, 1910, at which meeting a quorum of the Board of Directors was present, and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of said meeting.

In Testimony Whereof, I have hereunto set my hand and the seal of the UNITED STATES FIDELITY AND GUARANTY COMPANY on **March 2, 1970**
(Date)


Assistant Secretary.

RIDER

To be attached to and form part of Performance Bond Number 29-0130-153-70, in favor of the State of Arizona and the Oil and Gas Conservation Commission, on behalf of Eagleton Engineering Co., as Principal, and United States Fidelity and Guaranty Company, as Surety, in the penal sum of Five Thousand and No/100(\$5,000.00) Dollars, dated March 2, 1970.

It is hereby understood and agreed that effective March 2, 1970, the description and location of Well No. 2 is amended to read as follows:

Aritex No. 2 Well NE/4 of Section 6, T17N, R21E,
Navajo County, Arizona

All other terms and conditions of the bond to remain as originally written.

Dated at Houston, Texas, this 18th day of March, 1970.

EAGLETON ENGINEERING CO.

X
BY: *W. M. Eagleton*

UNITED STATES FIDELITY AND GUARANTY COMPANY

BY: *Alfreda Dulls*

Attorney-in-Fact

MAR 2 1970

CANCELLED

DATE 3-4-74



CERTIFIED COPY

GENERAL POWER OF ATTORNEY

No. 75048

Know all Men by these Presents:

That UNITED STATES FIDELITY AND GUARANTY COMPANY, a corporation organized and existing under the laws of the State of Maryland, and having its principal office at the City of Baltimore, in the State of Maryland, does hereby constitute and appoint
Alfreda Mills

of the City of **Houston**, State of **Texas**
its true and lawful attorney ~~xxxxxx for the State xxxxxx~~

for the following purposes, to wit:

To sign its name as surety to, and to execute, seal and acknowledge any and all bonds, and to respectively do and perform any and all acts and things set forth in the resolution of the Board of Directors of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, a certified copy of which is hereto annexed and made a part of this Power of Attorney; and the said UNITED STATES FIDELITY AND GUARANTY COMPANY, through us, its Board of Directors, hereby ratifies and confirms all and whatsoever the said

Alfreda Mills

may lawfully do in the premises by virtue of these presents.

In Witness Whereof, the said UNITED STATES FIDELITY AND GUARANTY COMPANY has caused this instrument to be sealed with its corporate seal, duly attested by the signatures of its Vice-President and Assistant Secretary, this **25th** day of **October**, A. D. 19**62**

UNITED STATES FIDELITY AND GUARANTY COMPANY.

(Signed) By **A. C. Holmes**
Vice-President.

(SEAL) (Signed) **E. W. Buffington**
Assistant Secretary.

STATE OF MARYLAND, }
BALTIMORE CITY, } ss:

On this **25th** day of **October**, A. D. 19**62**, before me personally came **A. C. Holmes**, Vice-President of the UNITED STATES FIDELITY AND GUARANTY COMPANY and **E. W. Buffington**, Assistant Secretary of said Company, with both of whom I am personally acquainted, who being by me severally duly sworn, said that they resided in the City of Baltimore, Maryland; that they, the said **A. C. Holmes** and **E. W. Buffington** were respectively the Vice-President and the Assistant Secretary of the said UNITED STATES FIDELITY AND GUARANTY COMPANY, the corporation described in and which executed the foregoing Power of Attorney; that they each knew the seal of said corporation; that the seal affixed to said Power of Attorney was such corporate seal, that it was so fixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order as Vice-President and Assistant Secretary, respectively, of the Company. My commission expires the first ~~Monday in May, A. D. 1963.~~

(SEAL) (Signed) **Anne M. O'Brien**
Notary Public.

STATE OF MARYLAND }
BALTIMORE CITY, } Sect.

I, **James F. Carney**, Clerk of the Superior Court of Baltimore City, which Court is a Court of Record, and has a seal, do hereby certify that **Anne M. O'Brien**, Esquire, before whom the annexed affidavits were made, and who has thereto subscribed his name, was at the time of so doing a Notary Public of the State of Maryland, in and for the City of Baltimore, duly commissioned and sworn and authorized by law to administer oaths and take acknowledgments, or proof of deeds to be recorded therein. I further certify that I am acquainted with the handwriting of the said Notary, and verily believe the signature to be his genuine signature.

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(SEAL) (Signed) **James F. Carney**
Clerk of the Superior Court of Baltimore City.

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Therefore, be it Resolved, that this Company do, and it hereby does, authorize and empower its President or either of its Vice-Presidents in conjunction with its Secretary or one of its Assistant Secretaries, under its corporate seal, to appoint any person or persons as attorney or attorneys-in-fact, or agent or agents of said Company, in its name and as its act, to execute and deliver any and all contracts guaranteeing the fidelity of persons holding positions of public or private trust, guaranteeing the performances of contracts other than insurance policies and executing or guaranteeing bonds and undertakings, required or permitted in all actions or proceedings, or by law allowed, and

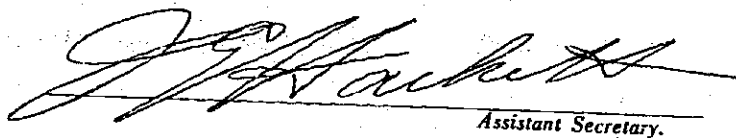
Also, in its name and as its attorney or attorneys-in-fact, or agent or agents to execute and guarantee the conditions of any and all bonds, recognizances, obligations, stipulations, undertakings or anything in the nature of either of the same, which are or may by law, municipal or otherwise, or by any Statute of the United States or of any State or Territory of the United States or of the Provinces of the Dominion of Canada or of the Colony of Newfoundland, or by the rules, regulations, orders, customs, practice or discretion of any board, body, organization, office or officer, local, municipal or otherwise, be allowed, required or permitted to be executed, made, taken, given, tendered, accepted, filed or recorded for the security or protection of, by or for any person or persons, corporation, body, office, interest, municipality or other association or organization whatsoever, in any and all capacities whatsoever, conditioned for the doing or not doing of anything or any conditions which may be provided for in any such bond, recognizance, obligation, stipulation, or undertaking, or anything in the nature of either of the same.

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of **Houston, Texas**, authorizing and empowering **her** to sign bonds as therein set forth, which power of attorney has never been revoked and is still in full force and effect.

And I do further certify that said Power of Attorney was given in pursuance of a resolution adopted at a regular meeting of the Board of Directors of said Company, duly called and held at the office of the Company in the City of Baltimore, on the 11th day of July, 1910, at which meeting a quorum of the Board of Directors was present, and that the foregoing is a true and correct copy of said resolution, and the whole thereof as recorded in the minutes of said meeting.

In Testimony Whereof, I have hereunto set my hand and the seal of the UNITED STATES FIDELITY AND GUARANTY COMPANY on **March 16, 1970**
(Date)


Assistant Secretary.



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

February 21, 1974

RECEIVED
FEB 25 1974
EAGLETON ENGINEERING CO.

Mr. Norman Eagleton
Aritex Development Corporation
301 Sharpstown Bank Building
Houston, Texas 77036

Re: Aritex #2 Well
Permit No. 532
Bond No. 29-0130-153-70
\$5,000

Dear Mr. Eagleton:

We have received your request from U.S.F.&G. for cancellation of the above referenced bond. If this request meets with your approval, please advise and we will then notify the bonding company that this bond may be cancelled.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

February 25, 1974

Dear Mr. Allen:

You have our approval to notify the bonding company that the bond may be cancelled.

Sincerely,

ARITEX DEVELOPMENT CORPORATION

H. Norman Eagleton, P.E.

RECEIVED

FEB 26 1974
O & G CON. COMM.

February 21, 1974

Mr. Norman Eagleton
Aritex Development Corporation
301 Sharpstown Bank Building
Houston, Texas 77036

Re: Aritex #2 Well
Permit No. 532
Bond No. 29-0130-153-70
\$5,000

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Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



UNITED STATES FIDELITY AND GUARANTY COMPANY

3401 FANNIN STREET, P. O. BOX 8426

HOUSTON, TEXAS 77004

TELEPHONE: 713/JACKSON 6-1551

K. C. PTOMEY
MANAGER

February 13, 1974

JOHN F. ROUGAGNAC
ASSISTANT MANAGER

JOSEPH S. KNIGHT
SUPERINTENDENT - CLAIMS

Oil & Gas Conservation Commission

State of Arizona

1624 W. Adams, Rm. 202

Phoenix, Ariz. 85007

NOTICE OF CANCELLATION

Eagleton Engineering Co. - Arizon #2 Well NE/4
RE: Section 6, T17N, R21E, Navajo County, Arizona

Whereas on or about the 2 day of March 1970 United States

Fidelity and Guaranty Company, as Surety, executed Oil or Gas

Well Drilling Bond (Well #2) in, the penalty of \$5,000.00

on behalf of Eagleton Engineering Co.

in favor of State of Arizona

Bond No. 29-0130-153-70, and;

Whereas it is our desire to cancel said bond in accordance with the terms thereof.

Signed, sealed this 13th day of February 19 74.

UNITED STATES FIDELITY AND GUARANTY COMPANY

BY:

Alfred Miller
Attorney-in-Fact

ACKNOWLEDGEMENT

United States Fidelity and Guaranty Company
Houston, Texas

Your Notice of Cancellation as set forth above received. We have arranged to cancel said bond effective: 3-31-74.

Date: W.E. Miller

PLEASE COMPLETE THE ACKNOWLEDGEMENT AND RETURN ONE COPY TO US.

cc: Corroon & Black of Texas, Inc.
Houston, Texas

U. S. F. & G.

August 27, 1973

Ms. Kay Waller
Petro-Well Libraries Inc.
150 Security Life Building
1616 Glenarm Place
Denver, Colorado 80202

Re: August Current File Material

Dear Kay:

Enclosed is the current material for the month of August.

Data on File #583 - Astro-Tex Corporation Federal No. 1
(As per your request of 8-3-73)

Data on File #27 - Colorado Basin Associates
(As per your request of 8-3-73)

Data on File #530 - Aritex Development Strat Fee #1
One Interface Survey Log

Data on File #532 - Aritex Development Strat Fee #2
One Gamma Ray Log

By certified mail you will be receiving data and logs on File #583
Humble Oil & Refining Company Well No. 1 State (74).

Very truly yours,

W. E. Allen, Director
Enforcement Section

Rhona L. Brandt
Secretary to W. E. Allen

/rlb

Encs.

P.S. Mr. Allen, the Enforcement Section received many requests for the
Arizona well files. Don't worry and fret. We'll work our way!



OPERATING FACILITIES
AT
HOLBROOK, ARIZONA

ARITEX DEVELOPMENT CORPORATION

301 SHARPSTOWN BANK BLDG.
HOUSTON, TEXAS 77036

PHONE (713) 771-8543

August 2, 1973

Mr. W. E. Allen, Director
Enforcement Section
Oil and Gas Conservation Commission
State of Arizona
4515 North 7th Avenue
Phoenix, Arizona 85013

Dear Mr. Allen:

Attached are the completed application to plug and the plugging reports for our two abandoned wells near Holbrook. As you know from your discussions with Tom Martin, we are reluctantly abandoning our proposed LPG storage project. This project caused us a substantial loss of money but we have tried to close out our operation in a manner that is in accordance with your requirements.

Also attached are copies of the logs that you requested. One is an Interface Survey of Well No. 1 made on May 7, 1971. The other is a Gamma Ray Log made on Well No. 2 on May 8, 1971.

The estimated volume of salt removed between the two wells is approximately 80,000 barrels.

Sincerely,

ARITEX DEVELOPMENT CORPORATION


H. Norman Eagleton, P. E.

Enc.
HNE/rp

RECEIVED

AUG 06 1973

O & G CONS. COMM.

532

FENIX & SCISSON, INC.

5805 EAST FIFTEENTH STREET
TULSA, OKLAHOMA

PLEASE REPLY TO:
P. O. Box 15609
TULSA, OKLAHOMA 74115

July 30, 1973

PHONE (918) 835-9471
TWX No. (910) 845-2108
CABLE ADDRESS: FENSON TULSA

Mr. W. E. Allen
Director, Enforcement Section
Arizona Oil & Gas Conservation Commission
4515 N. 7th Ave.
Phoenix, Arizona 85013

Dear Bill:

Per our discussions last week in Phoenix, I am attaching some general information regarding the Holbrook storage wells.

Al Medley will continue to work with you very closely on the Cal Gas Storage Project west of Phoenix.

Yours very truly,

Kermit Allen

Kermit Allen
Chief Design Engineer

KA/sd

Attach.

RECEIVED

AUG 1 1973

O & G CONS. COMM.

532

Bradt
Hollaway

September 24, 1970

MEMO TO: Files (Suburban Propane)

FROM: Kermit Allen

SUBJECT: Status of Holbrook, Arizona Storage Project

While at Eminence on September 21, 1970 I visited with a Mr. Bill Hicks who is Vice President of French Well Surveys, Inc. Mr. Hicks was on his way to Arizona to run logs in Eagleton's Holbrook storage wells.

About a year ago Suburban asked F&S to submit a proposal to construct salt storage at Holbrook, Arizona. We did submit a proposal; however, while I was in Pomona, California, reviewing our proposal with Mr. Dave Shaeffer, Mr. Eagleton arrived and told Suburban that his financial position had improved and that he would construct the storage terminal and lease storage space to Suburban. Suburban agreed to Eagleton's statement and told me that if he were unsuccessful in this venture Suburban's only loss would be a year's time--in which case Suburban would then construct their own caverns.

On September 23, 1970 I called Dave Shaeffer (Suburban) and obtained the following information:

1. About three weeks ago Eagleton called Shaeffer and stated he had 100,000 barrels of storage space ready.
2. Suburban injected 5,000 barrels of propane and none could be recovered.
3. Logs were run in both wells (frac-connected) and void space was found behind the casing.
4. Casing was perforated--still no propane.
5. Suburban is trying to decide whether to inject additional propane.

I told Dave about my conversation with Mr. Hicks and that if Mr. Hicks' story is correct it is my opinion that injecting additional propane without further defining the problem is unsound.

Dave advised that he had made long-term commitments for propane which were contingent on having storage space. Now Suburban must decide what to do next. If their decision is to construct their own storage, we will be hearing from Suburban.

KA:lw

RECEIVED

AUG 01 1973

O & G CONS. COMM.

532

February 22, 1971

Memo to: Files (Williams Brothers - Arizona)

From: Kermit Allen

SUBJECT: Potential Work - Arizona

On February 22, 1971 Mr. Keith Beard called and advised that the brine wells that were to be used for propane storage at Holbrook, Arizona, are not working out so well. Eagleton Engineering, Houston, Texas, constructed the frac-connected wells for brine production about a year ago. Suburban Propane subsequently leased the cavities for LPG storage. However, propane was injected into the cavities but not recovered. Also, hydrostatic pressure tests do not look favorable.

Keith would like to construct new LPG storage wells. A Williams Bros. meeting is scheduled for today and Keith hopes to convince his people that F&S should evaluate the existing facility. Then, if the cavities are unacceptable for LPG storage, F&S would submit a proposal to construct new wells.

Keith will call back this afternoon and advise as to future action.

KA:lw

532
RECEIVED

AUG 01 1973

O & G CONS. COMM.

March 25, 1971

Memo to: Files (Suburban Companies #191)

From: Kermit Allen

SUBJECT: Eagleton Meeting in Houston

On March 24, 1971 I met with Mr. Norm Eagleton in Houston, Texas. The purpose of the meeting was to obtain all available information pertaining to the construction and development of the Holbrook, Arizona, brine cavity. Mr. Eagleton was quite cooperative and supplied copies of logs, drawings, drilling programs, and operating data.

Mr. Keith Beard, Williams Brothers Engineering Company, was present at the Eagleton meeting. Keith advised that Suburban Companies and Eagleton Engineering Company had reached an agreement whereby Suburban would purchase all of Eagleton's interest in the Holbrook site.

Mr. Eagleton made the following comments about the Holbrook site:

1. The State people are satisfied with the use of the unlined brine ponds.
2. Some brine has leaked from the ponds. However, the water is brackish in this area and no complaints have been made.

The city's fresh water wells are southwest of the storage site and are replenished from a high watershed southwest of the City of Holbrook. Subsurface water movement in this area is northeast.

3. Propane may be trapped behind the pipe at a depth of \pm 980' in Well No. 2. The French interface log shows product at this depth. This zone has not been perforated.
4. During the initial filling through Well No. 1 propane came to the surface outside the 7" casing. A 4" tubing string was run to \pm 900' with a Baker packer set at this depth. Injection through the 4" was successful--no propane returning outside the 7".
5. About 6,000 barrels of propane was injected--none was recovered. However, brine salinities dropped from 21° Baumé to 14° Baumé after propane injection. (It appears some propane is in the cavity roof protecting the salt from leaching.)

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O & G CONS. COMM.

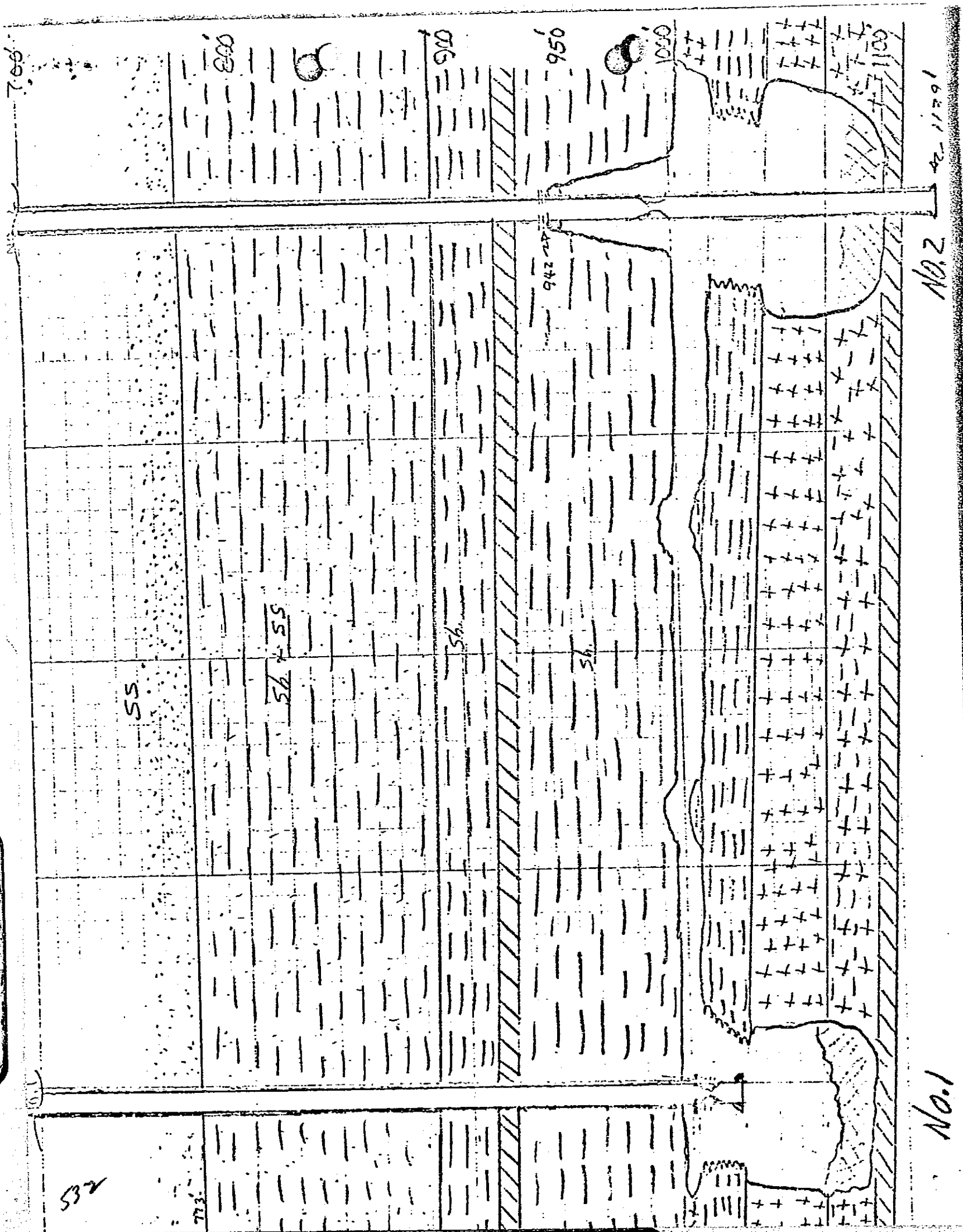
532

Memo to Files (#191)
Page 2
March 25, 1971

6. Mr. Eagleton was satisfied with the geological work performed by Robert E. Lauth, Consulting Geologist, Durango, Colorado. His fee was \$1,000. However, Mr. Lauth did not consider the lower salt worth testing.
7. Brine could be sold to a uranium mill--if a continued source were available. Also, Mr. A. L. Hickerson, Permian Brine Sales, Odessa, Texas, indicated an interest in purchasing brine.
8. Mr. Eagleton stated that he would supply any additional information needed regarding the Holbrook project.
9. Estimated cavity size is 122,343 Bbls.

KA:lw

532



March 8, 1971

Mr. Keith Beard
Williams Brothers Engineering Co.
Resource Sciences Center
321 South Boston
Tulsa, Oklahoma 74102

Dear Keith:

We have reviewed all available information regarding the construction of the Arisox Development Corporation brine cavities near Holbrook, Arizona. The available information consists of (1) well logs, well completion reports, and hydrostatic pressure tests results you left in our office on March 3, 1971, (2) the proposals we submitted to Suburban Companies, Inc., in January 1970, and (3) miscellaneous information obtained from telephone conversations with Mr. Dave Shaeffer the past year.

As you can see our information is quite limited and we do not have detailed records of the construction and development history. However, since you have requested our opinion as to the usability of these caverns for propane storage, we have examined the above information and offer the following comments:

1. The hydrostatic pressure tests run in February 1970 indicate that the cavern is not pressure tight. However, conclusive proof of a leaking cavern would require additional and more lengthy pressure tests.
2. It is our understanding that approximately 5,000 barrels of propane were injected into the brine cavity and none were recovered. This would seem to indicate cavern communication with upper porous and permeable strata. However, there is the possibility that the propane is trapped in pockets in the cavern roof between the two wells.
3. If the cavern is leaking it is not known whether the leak is around the cavern or in one of the cased wells. A casing leak could be located by setting a packer and hydrostatically testing the inside of the 7 inch O.D. casing string.
4. The well completion program used is highly questionable. It would seem that the numerous porous formations above the salt caverns would have dictated better casing, mud, and cementing programs.

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Mr. Keith Beard
Page 2
March 8, 1971

5. The use of a hydrocarbon blanket to control the upper leaching; i.e., leaving some salt in the cavity roof, would have enhanced the chances of obtaining a "tight" cavity.
6. Additional time and money would be required to determine the usability of the cavities for propane storage. However, in our opinion, chances of obtaining a usable storage cavity would probably be in the order of one out of ten.

At this time our recommendations would be to:

1. Obtain and evaluate the detailed construction and operating history of the wells.
2. Based on the above findings, recommend either additional well testing programs or abandonment of the site for propane storage.

If it is decided the existing brine cavity should not be used for propane storage, the following course of action would be required to develop new propane caverns.

1. Design facility.
2. Acquire a site (minimum of 15 acres).
3. Obtain permits from Oil and Gas Conservation Commission.
- *4. Confirm fresh water supply, brine disposal, and salt, by drilling a combination exploratory/disposal well.
5. Drill two solution wells and frac-connect (Attachments II and III).
6. While drilling solution wells, procure and install the surface leaching plant.
7. Leach storage space.

The above scope of work is tentative only and is presented only to show the more important items to be performed in order to construct salt storage space.

It is estimated that two months would be required to construct the surface plant and drill the required wells. After plant construction, 35,000 barrels of space could be created each month. Attachment I to this letter

* There is a good chance that the brine disposal well could be replaced by brine disposal in an unlined pit.

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Mr. Keith Beard
Page 3
March 8, 1971

shows the approximate time and cost to develop various volumes of storage through two frac-connected wells. It should be noted that the time required for design, selecting and procuring a site, and obtaining permits to drill is not included in the time estimate as shown in Attachment I. Very probably two additional months would be required to perform the above preliminary work.

There would be one advantage in using the Eagleton 15 acre site--time. If the surface brine ponds could be used for brine disposal, and if fresh water were available, two single storage wells could be drilled and caverns developed. This means that leaching could probably begin in two months rather than the four months predicted for a new storage site.

Keith, please remember that the contents of this letter are based on a one-day evaluation rather than on a one to two month study which normally precedes cavity construction. If it is decided that propane storage will be constructed at Holbrook, additional manhours should be spent in refining a future course of action.

Per our discussion last Friday I am not submitting a proposal for our performance of the evaluation and construction of the facility. It is my understanding that you will meet with Mr. Scisson and work out the contract details.

Yours very truly,

Kermit Allen

KA:lw

Attachments n/s

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May 11, 1971

Memo to: Files (#191)

From: K. Allen

SUBJECT: Arizona Field Trip - Suburban Companies

On May 8, 9, and 10 Messrs. Jess Wyrick and Kermit Allen, Fenix & Scisson, and Bob Wiruth, Suburban Companies, visited the Adamana Site.

Purpose of the trip was to confirm whether brine disposal pits could be constructed on the 120 acre site which Suburban has an option to buy.

If pit construction were found to be feasible a core hole would be started immediately.

Results of the trip:

Adamana

1. Construction of unlined brine pits on the existing site is not recommended due to possible contamination of local fresh water aquifers.
2. A 40-acre site north of the present property and located in the NE/4, SE/4 of Section 6 would be adequate for pit construction. Efforts are being made to procure this site.
3. Suburban authorized F&S to proceed with the 1000 foot core hole. Drilling will probably begin May 12, 1971
4. Test holes were augered to confirm clay thickness.
5. Mr. Bill Allen, Arizona Oil & Gas Commission, approved our Application to Drill the core hole.
6. Sonny Girwuth will submit a proposal for construction of the brine pits.

Detailed results of the trip are summarized in Attachment I to this memo.

Holbrook

On May 8, 1971 Airtex perforated the 7 inch casing in Well No. 2 at a depth of 942 feet - 944 feet and obtained some propane. However, this does not make the cavity a usable LPG storage cavern. Some of the reasons for not using this cavity for LPG storage are:

1. Both wells have collapsed casing strings and have been perforated at the top and/or above the salt interval.

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Memo to: Files (#191)
Page 2
May 11, 1971

Re: Arizona Field Trip - Suburban Companies

It is questionable whether brine return strings could be run through the 7 inch to the cavity bottom.

2. The shale roof has caved 60 feet above the top of the salt in Well No. 2.
3. In our opinion the cavern has not been successfully hydrostatically tested.
4. If brine return strings cannot be installed very little usable storage space could be obtained.
5. There is a leak in the 7 inch casing somewhere above the packer.

A schematic showing the probable condition of the Airtex cavity is shown as Attachment II. The schematic is based on our conversation with Mr. Eagleton on May 8, 1971 and examination of logs run in Well No. 2 on May 8, 1971.

If our assumptions are correct only a small volume of propane is trapped in the collapsed area around Well No. 2--probably less than 10,000 gallons.

KA:lw

Attachments a/s

C
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July 25, 1973

Mr. Tom Martin
Aritex Development Corporation
301 Sharpstown Bank Building
Houston, Texas 77036

Re: Aritex #1 Fee Strat
NE/SE Section 6-T17N-R21E
Navajo County
File No. 530

Aritex #2 Fee Strat
SE/NE Section 6-T17N-R21E
Navajo County
File No. 532

Dear Tom:

Attached are the forms, Application to Plug and Plugging Report, that we discussed yesterday. Please complete one copy of each of these forms and return to this office as quickly as possible.

We would also appreciate receiving copies of any logs that have been run on either of these wells. We presently have a radioactivity log and lithologic log on each well and a caliper log on your No. 1 well. It is our understanding that other logs have been run. The other logs are the ones we would like to have copies of. Also, advise us of the approximate dimensions of the reservoir that was created underneath these wells.

Thank you for your past cooperation and we hope that we will have the opportunity of working with you in the not too distant future.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/r1b

Encs.

lcc - Norman Eagleton

September 21, 1972

Aritex Development Corporation
Mr. H. Norman Eagleton, P. E.
301 Sharpstown Bank Building
Houston, Texas 77036

Re: Aritex Development Corporation LPG Storage Project - Holbrook

Dear Mr. Eagleton:

Thank you for your letter of September 15, 1972 outlining your tentative plans for the above storage project.

It is our desire to cooperate with you in every way possible to enable your firm to convert this cavern into a successful operation. It is not the intent of this Commission to deter you in your efforts to complete a safe and usable reservoir for the storage of LPG, however, we are very concerned about the use of this cavern for the storage of LPG products. If your leak was in the 7" casing it could be a fairly simple matter to remedy the situation. Since apparently the leak is in the formation of the cavern itself, this seems to present an entire different situation.

This condition has been discussed at length and it has been concluded that unless you are able to satisfy this Commission of the complete safety of this operation by July 1, 1973, this Commission will deem it necessary to call a hearing requiring Aritex Development Corporation to show cause as to why this cavern should not be plugged and abandoned.

We sincerely hope, Mr. Eagleton, that the above step will not be necessary, but this Commission is charged by law to take any measures required to safeguard the health, property, and public welfare of the citizens of this State.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb

532



ARITEX DEVELOPMENT CORPORATION

301 SHARPSTOWN BANK BLDG.
HOUSTON, TEXAS 77036

PHONE (713) 771-6343

OPERATING FACILITIES
AT
HOLBROOK, ARIZONA

September 15, 1972

Mr. W. E. Allen, Director
Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Dear Mr. Allen:

We have received your letter of September 14. We have not conducted the tests we planned for July for two reasons. First, we have been unable to shake Tom Martin loose from some work that he is doing in Kentucky. Tom is much more familiar with the situation in Holbrook than anyone else we have and I would like to have him present when we conduct the tests. The second reason is that we were unable to interest an owner of propane to use the storage this summer and so there was no pressing need to conduct the tests. We feel that the longer we wait to apply the test pressure, the better chance we will have of a successful test.

When we do conduct the tests your office will be notified so that you can have someone present as a witness.

Sincerely,

ARITEX DEVELOPMENT CORPORATION

H. Norman Eagleton
H. Norman Eagleton, P. E.

HNE/rp

RECEIVED

SEP 18 1972

O & G CONS. COMM.

532

September 14, 1972

Mr. Norman Eagleton, President
Aritex Development Corporation
301 Sharpstown Bank Building
Houston, Texas 77036

Re: Aritex Development #1 Fee Strat
NE/SE Section 6-T17N-R21E
Navajo County
Our File #530

Aritex Development #2 Fee Strat
SE/NE Section 6-T17N-R21E
Navajo County
Our File #532

Dear Mr. Eagleton:

In your letter dated January 24, 1972 you stated that you plan to conduct tests on your No. 1 well to determine if the cavern still had a leakage problem. These tests were to be made in June or July of this year. Since we have had no word from you regarding this situation, will you please advise this office of your plans for this storage reservoir.

It is the desire of this office to witness any test that you may make in connection with this leakage problem.

We would appreciate an early reply.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/flb



ARITEX DEVELOPMENT CORPORATION

301 SHARPSTOWN BANK BLDG.

HOUSTON, TEXAS 77036

PHONE (713) 771-8345

OPERATING FACILITIES
AT
HOLBROOK, ARIZONA

January 24, 1972

Mr. W. E. Allen, Director
Enforcement Section
Oil and Gas Conservation Commission
4515 North 7th Avenue
Phoenix, Arizona 85013

Dear Mr. Allen:

We have received your letter dated January 21, 1972, wherein you indicated the Commission presently considers our wells near Holbrook to be temporarily abandoned.

2160-GPD
As you have been informed, when we apply pressure of 60 psig at the wellhead of Well No. 1, there is slight leakage in our cavern which we have measured to be 1.5 gallons per minute. When there is no pressure applied at the wellhead there is no leakage. We ran several logs late last summer to determine where this leakage was occurring. We were unable to pin down the exact location. Subsequent to analysis of these logs our consulting geologist advised us to leave the cavern stagnant through the winter and there would be a good chance for the leak to heal due to crystallization of the brine solution in the leak channel.

Therefore since September, 1971, the cavern has been stagnant and it is planned to leave it stagnant until June or July, 1972. At that time we will conduct tests to determine if the leakage has been stopped as anticipated. Even if the leakage has not stopped the cavern will still not be abandoned. If necessary, the next step will be to squeeze Well No. 1. We have definitely established that no leakage occurs at or adjacent to Well No. 2. The slight leakage we have experienced was occurring at or adjacent to Well No. 1. We did not choose to squeeze Well No. 1 in September because we were apprehensive about damaging it to the point where it could not be utilized as part of our injection system. However, if it must be squeezed next summer and is damaged to the point where it is not useful as an injection well, the wellhead and tubing in Well No. 2 will be revised so that it can be used to inject and recover product from the same well.

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Mr. W. E. Allen
Page 2
January 24, 1972

This was not done last September because this method of operation could substantially reduce our storage capacity and in addition, we have no product to inject this winter.

As you can see, we have not abandoned these wells and we do not intend to abandon them. When we get ready to run our test next summer, we will notify the commission so they can have a representative present if desired.

Sincerely,

ARITEX DEVELOPMENT CORPORATION

H. Norman Eagleton
H. Norman Eagleton, President

HNE/rap



OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
4515 NORTH 7TH AVE.
PHOENIX, ARIZONA 85013
PHONE: (602) 271-5161

January 21, 1972

Mr. Norman Eagleton, President
Aritex Development Corporation
301 Sharpstown Bank Building
Houston, Texas 77036

Re: Aritex Development #1 Fee Strat
NE/SE Section 6-T17N-R21E
Navajo County
Our File #530

Aritex Development #2 Fee Strat
SE/NE Section 6-T17N-R21E
Navajo County
Our File #532

Dear Mr. Eagleton:

This office has attempted to contact Mr. Tom Martin regarding your future plans for the above referenced project. Since we have been unable to contact Mr. Martin and have recently visited this project, and determined that there has been no activity for quite some time, it would be appreciated if you would advise this Commission of your future plans regarding this project.

The Commission presently considers the #1 and #2 Wells, originally drilled to be used in connection with the storage project, to be on a temporary abandon basis. It is against the Rules of the Commission to allow a well to maintain a temporary abandon status over an indefinite period. Any information that you may furnish regarding this project will be appreciated.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA/rlb



ARITEX DEVELOPMENT CORPORATION

301 SHARPSTOWN BANK BLDG.
HOUSTON, TEXAS 77036

PHONE (713) 771-6343

OPERATING FACILITIES
AT
HOLBROOK, ARIZONA

June 17, 1971

Oil and Gas Conservation Commission
State of Arizona
4515 North 7th Avenue
Phoenix, Arizona 85013

Attention: Mr. W. E. Allen, Director
Enforcement Section

Gentlemen:

Re: Aritex #1 Fee Strat	Aritex #2 Fee Strat
NE/4 SE/4 Sec. 6-T-7N-R21E	SE/4 NE/4 Sec. 6-T-7N-R21E
Navajo County	Navajo County
Your File #530	Your File #532

As per your request, we are enclosing Well Completion or Recompletion Report and Well Log on the above referenced subject.

Sincerely,

ARITEX DEVELOPMENT CORPORATION

H. Norman Eagleton, President

Enclosure
HNE/rap

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JUN 18 1971

O & G CONS. COMM.

June 11, 1971

Mr. H. Norman Eagleton
Eagleton Engineering Company
P. O. Box 36117
Houston, Texas 77036

Re: Aritex #1 Fee Strat
NE/4 SE/4 Sec. 6-T17N-R21E
Navajo County
Our File #530

Aritex #2 Fee Strat
SE/4 NE/4 Sec. 6-T17N-R21E
Navajo County
Our File #532

Dear Mr. Eagleton:

Thank you very much for the logs and information that you recently submitted on the above referenced wells.

It is necessary that a Well Completion Report on each well drilled in the State be filed with the Commission on the Commission's own form (Form 4). Our Files do contain completion information furnished by Robert Laugh; however, it is not on our forms. We are enclosing copies of this information. Please have someone in your organization complete Form 4 on each of your wells, sign and return to this office.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.



OPERATING FACILITIES
AT
HOLBROOK, ARIZONA

ARITEX DEVELOPMENT CORPORATION

301 SHARPSTOWN BANK BLDG.
HOUSTON, TEXAS 77036

PHONE (713) 771-6343

June 9, 1971

RECEIVED
JUN 11 1971
O & G CONS. COMM.

Oil and Gas Conservation Commission
State of Arizona
4515 North 7th Avenue
Phoenix, Arizona 85013

Attention: Mr. W. E. Allen, Director Enforcement Section

Gentlemen:

Attached are Sundry Notice and Reports on Wells for Aritex No. 1 Fee Strat and No. 2 Fee Strat, indicating the only work done on the two wells since the summer of 1970, except for the washing that was done between September, 1970, and February, 1971.

We are unable to fill out the details required by the Well Completion Report because we gave our files containing this information to Suburban Gas in early April, 1971, and they have not returned it to us. However, our recollection is that all this information was furnished you last summer. We did not furnish well logs at that time and these logs are attached herewith. As you may know, we are not doing anything with our wells at this time. We have offered to sell them to Suburban but they have not yet given us a definite answer. We haven't decided exactly what we will do if they do not purchase them but we definitely will not abandon the wells.

If you need additional information please advise.

Sincerely,

ARITEX DEVELOPMENT CORPORATION

H. Norman Eagleton
H. Norman Eagleton, President

cc: Mr. Tom Martin

Attach.
HNE/rap

532

June 7, 1971

Mr. H. Norman Eagleton
Eagleton Engineering Company
P. O. Box 36117
Houston, Texas 77036

Re: Aritex #1 Fee Strat
NE/4 SE/4 Sec. 6-T17N-R21E
Navajo County
Our File #530

Aritex #2 Fee Strat
SE/4 NE/4 Sec. 6-T17N-R31E
Navajo County
Our File #532

Dear Mr. Eagleton:

We have several times in the past requested that you furnish this office with Completion Reports, Form 4, on the above referenced wells. We have also discussed this with Mr. Tom Martin; but, as of this date we have had no response from your office. It is necessary that these Completion Reports be received in this office at a very early date. We also need copies of any logs that may have been run on these wells.

It is also necessary that you furnish this office information regarding the recent testing that you have done on these wells, the perforations, propane recovery, and so forth. This information will be furnished on our Form 25, Sundry Notices and Reports on Wells.

We look forward to your early cooperation on the above request.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
cc: Mr. Tom Martin

April 19, 1971

Mr. H. Norman Eagleton
Eagleton Engineering Company
P. O. Box 36117
Houston, Texas 77036

Re: Aritex #1 Fee Strat
NE/4 SE/4 Sec. 6-T17N-R21E
Navajo County
Our File #530

Aritex #2 Fee Strat
SE/4 NE/4 Sec. 6-T17N-R21E
Navajo County
Our File #532

Dear Mr. Eagleton:

Please refer to our letter dated March 29, 1971 requesting Completion Reports on the above referenced wells and also copies of any and all logs that were run on these wells.

Please be advised that you will not be able to secure a release of the bond covering these two wells until this information has been received by this office.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd

March 29, 1971

Mr. H. Norman Eagleton
Eagleton Engineering Company
P. O. Box 36117
Houston, Texas 77036

Re: Aritex #1 Fee Strat
NE/4 SE/4 Sec. 6-T17N-R21E
Navajo County
Our File #530

Aritex #2 Fee Strat
SE/4 NE/4 Sec. 6-T17N-R21E
Navajo County
Our File #532

Dear Mr. Eagleton:

Please furnish this office with copies of the Completion Report, Form 4, on the above referenced wells. We would appreciate receiving this report as quickly as possible. Also, include any information that you might have pertaining to the logging and testing of this reservoir.

Very truly yours,

W. E. Allen, Director
Enforcement Section

WEA:jd
Enc.

August 14, 1970

Mr. H. Norman Eagleton
Eagleton Engineering Company
P. O. Box 36117
Houston, Texas 77036

Re: Aritex Development #1 Fee Strat	Aritex Development #2 Fee Strat
NE SE Sec. 6-T17N-R21E	SE/4 NE/4 Sec. 6-T17N-R21E
Navajo County	Navajo County
Our File #530	Our File #532

Dear Mr. Eagleton:

On a recent visit with Tom Martin in Holbrook, the necessity of submitting our Form #24, Transporter's and Storer's Report, was discussed. Mr. Martin told me that these reports would be prepared by your office and requested that a supply of the forms be forwarded to you.

Once storage operations are actually in progress at your Holbrook installation, this monthly report will be required indicating the amounts of LPG injected and/or any amounts withdrawn. Your cooperation in furnishing this information will be appreciated.

Very truly yours,

W. E. Allen
Director, Enforcement Section

WEA:jd
Enc.

Eagleton Engineering Co.

P. O. BOX 36117
HOUSTON, TEXAS 77036
Phone: (713) 771-6343
Cable: EAGENG

June 29, 1970

Mr. John Bannister, Executive Secretary
Office of Oil and Gas Conservation Commission
State of Arizona
Room 202, 1624 West Adams
Phoenix, Arizona 85007

Dear Mr. Bannister:

We received your letter of June 23, 1970, requesting the current status of our proposal to drill a water well at Holbrook. The reason we have not followed through obtaining a bond to cover this well, is a decision made in May to make only absolutely essential expenditures on this project until all testing of the cavern has been completed. As now planned, we will hydrostatically test the cavern on July 13, and begin injecting some propane within a week thereafter, if the hydrostatic test is satisfactory. After injecting several hundred barrels of propane into the cavern, we will try to get 10,000 gallons (one truck load) of propane out to make sure it is recoverable. When all of this has been completed satisfactorily, we will again consider the need for the water well.

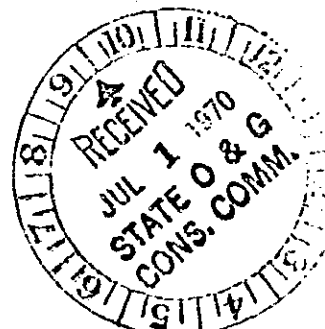
If you have any additional questions, please advise.

Sincerely,

EAGLETON ENGINEERING COMPANY

H. Norman Eagleton
H. Norman Eagleton

cc: Tom Martin
HNE:rap



Eagleton Engineering Co.

P. O. BOX 36117
HOUSTON, TEXAS 77036
Phone: (713) 771-6343
Cable: EAGENG

March 25, 1970.

Oil and Gas Conservation Commission
State of Arizona
1624 West Adams (Room 202)
Phoenix, Arizona 85007

Attn: Mr. John Bannister

Re: Aritex Development #1 Fee Strat
NE/4 SE/4 Section 6
T17N, R21E, G & SRM
Navajo County
Our File #530

Aritex Development #2 Fee Strat
SE/4 NE/4 Section 6
T17N, R21E, G & SRM
Navajo County
Our File #532

Dear Mr. Bannister:

In response to your request of March 16, 1970, the following information is submitted:

	<u>#1 Fee Strat</u>	<u>#2 Fee Strat</u>
Surface Elevation	5077.6	5077.5
Top of Coconino	138	139
Top of Supai	775	774

According to our consulting geologist, Mr. Robert E. Lauth, there is good water potential in river gravel at depths between 121 and 138 feet and in a relatively porous section of the Coconino Sandstone between 138 and 160 feet.

We plan to drill a water well within the next 30 to 60 days and will send the analysis of the water to you as soon as it is available.

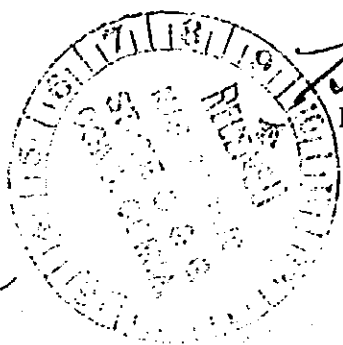
Sincerely,

EAGLETON ENGINEERING COMPANY


H. Norman Eagleton

HNE:mjp

532



206 CENTURY BLDG.

OFFICE 247-0025
RESIDENCE 247-3190

ROBERT E. LAUTH
GEOLOGICAL CONSULTANT
P. O. BOX 776
DURANGO, COLORADO
81301

March 23, 1970

Four Corners Sample Cut Assoc.
641 West Broadway
Farmington, New Mexico 87401

Re: Samples, 40 to 1140 feet
Core chips 1005 to 1110 feet
Aritex Development Corp. No.
2 Fee-Strat SENE Sec. 6 T17N,
R21E, Navajo County, Arizona

Gentlemen:

Early Saturday morning March 21, 1970, I left three boxes, two full and one with three samples in it, at your back door with a note that details etc. would follow.

Please make the necessary sample cuts as required by the Arizona Oil and Gas Conservation Commission. Also make one cut for Aritex and send it with the invoice (three copies) to Aritex Development Corp. P. O. Box 187, Holbrook, Arizona 86025.

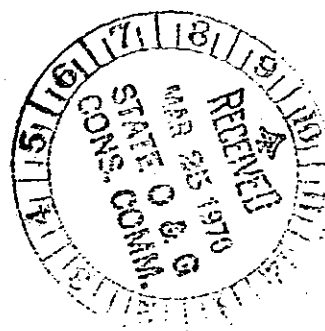
Also, diesel oil was used as a drilling fluid from 865 to total depth. When these samples are cut from 950 to total depth, please be careful on washing. There is salt in the samples and water will dissolve it. This is also true for the core chips.

Thank you.


Robert E. Lauth

cc: Arizona Oil & Gas Conservation Comm.
1624 West Adams Rm. 202
Phoenix, Arizona 85007

cc: Aritex Development Corp.
P. O. Box 187
Holbrook, Arizona 86025



532

532



UNITED STATES FIDELITY AND GUARANTY COMPANY

3401 FANNIN STREET, P. O. BOX 8426

HOUSTON, TEXAS 77004

TELEPHONE: 713/JACKSON 6-1551

K. C. PTOMEY
MANAGER

JOHN F. ROUGAGNAC
ASSISTANT MANAGER

March 16, 1970



JOSEPH S. KNIGHT
SUPERINTENDENT - CLAIMS

Mr. John Bannister
Executive Secretary
Oil and Gas Conservation Commission
State of Arizona
Room 202, 1624 West Adams
Phoenix, Arizona 85007

Re: Eagleton Engineering Co.
Bond No. 2900130-153-70
Your No. 532

Dear Mr. Bannister:

Enclosed is copy of a rider which we have requested our Agent
to have signed on behalf of Eagleton Engineering Co..

As soon as this has been accomplished we will have the rider
countersigned and filed with your Department. *received*

Yours very truly,

Alfreda Mills
Alfreda Mills,
Fidelity-Surety Dept.

4-1-70

am

532

U. S. F. & G.

RIDER

To be attached to and form part of Performance Bond Number 29-0130-153-70, in favor of the State of Arizona and the Oil and Gas Conservation Commission, on behalf of Eagleton Engineering Co., as Principal, and United States Fidelity and Guaranty Company, as Surety, in the penal sum of Five Thousand and No/100(\$5,000.00) Dollars, dated March 2, 1970.

It is hereby understood and agreed that effective March 2, 1970, the description and location of Well No. 2 is amended to read as follows:

Aritex No. 2 Well NE/4 of Section 6, T17N, R21E,
Navajo County, Arizona

All other terms and conditions of the bond to remain as originally written.

Dated at Houston, Texas, this 18th day of March, 1970.

EAGLETON ENGINEERING CO.

BY: _____

UNITED STATES FIDELITY AND GUARANTY COMPANY

BY: Alfreda Smith
Attorney-in-Fact

March 16, 1970

Mr. Norman Eagleton
P. O. Box 36117
Houston, Texas 77036

Re: Aritex Development #1 Fee Strat
NE/4 SE/4 Section 6
T17N, R21E, G & SRM
Navajo County
Our File #530

Aritex Development #2 Fee Strat
SE/4 NE/4 Section 6
T17N, R21E, G & SRM
Navajo County
Our File #532

Gentlemen:

The Commission will very much appreciate it if you would immediately furnish us for our records the formation tops encountered in the captioned wells. Further, should you have made any analysis of underground waters encountered, we would appreciate this information also.

It will be necessary when your water well is drilled that analysis of all waters encountered be furnished to this Commission. This, of course, will be the basis of comparison should there be any claims of pollution due to your operations. Consequently, this Commission considers this information vital. Your cooperation will be appreciated.

Sincerely,

John Bannister
Executive Secretary

JB:jd

cc: Tom Martin, Holbrook, Arizona

blind c.c. to Dr. E. L. Gillespie, U.S.G.S. Flagstaff 86002

March 13, 1970

United States Fidelity & Guaranty
P. O. Box 8426
Houston, Texas 77004

Attention: Mr. Edward L. Purcell, Jr.
Bond Superintendent

Re: U.S.F. & G. Bond No. 29-0130-153-70
Our File #532

Gentlemen:

On March 2, 1970, you issued the captioned bond to this Commission on behalf of Eagleton Engineering Company to cover the operations on the Aritex No. 2 Well located in the SE/4 NE/4 of Section 6, T17N, R21E, Navajo County, Arizona. The bond as issued gives an incorrect location for this well; namely, the bond sites the well as being in the SE/4 of Section 6. You are requested to issue a rider correcting the location well from the SE/4 of Section 6 to the NE/4 of Section 6.

We are issuing our permit, however, and accepting this bond as written relying on your description of Well No. 2. Your early compliance to this will be appreciated.

Sincerely,

John Bannister
Executive Secretary

JB:jd
cc: Mr. Tom Martin
cc: Mr. Norman Eagleton

March 13, 1970

Mr. H. Norman Eagleton
Eagleton Engineering Company
P. O. Box 36117
Houston, Texas 77036

Re: Aritex Development Corporation #2 Fee Strat
SE/4 NE/4 Section 6
T17N, R21E, G & SRM
Our File #532

Dear Mr. Eagleton:

Enclosed please find our Receipt No. 2866 covering the \$25 filing fee, your Application for Permit to Drill which has been approved, and our Permit To Drill No. 532. Instruction sheets pertaining to samples and reports required by this office have been furnished you in previous correspondence.

Sincerely,

John Bannister
Executive Secretary

jd
Enc.

March 13, 1970

Mr. Don H. Miller
2753 Stardust Court A-10
Jacksonville, Florida 32211

Dear Mr. Miller:

Thank you for your letter of March 5, 1970. For your information Eagleton Engineering Company has been permitted for two wells in Navajo County, Section 6-T17N-R21E. The first well, our file #530, is located in the NE/4 SE/4 and the second well, our file #532, is located in the SE/4 NE/4 of Section 6. Eagleton Engineering Company's address is P. O. Box 36117, Houston, Texas 77036.

Mr. O. R. Thourcen has also permitted two wells with this Commission. The first well is the Thourcen #1 Santa Fe located in NE/4 SW/4 of Section 27-T21N-R26E, Apache County, and is our File #504. The second well is the Thourcen #1 Navajo 1767 located in NE/4 SW/4 of Section 25-T21N-R25E, Apache County, and is our File #505. No information can be released on these wells at this time as they are both in confidential status.

If there is any other information we can provide, please advise.

Sincerely,

John Bannister
Executive Secretary

jd

532

2753 Stardust Ct. A-10
Jacksonville, Fla 32211
March 5, 1970

Oil and Gas Conservation Commission
State of Arizona
1624 West Adams Street
Phoenix, Arizona

Attn: Mr. John Bannister,
Secretary

Dear Mr. Bannister:

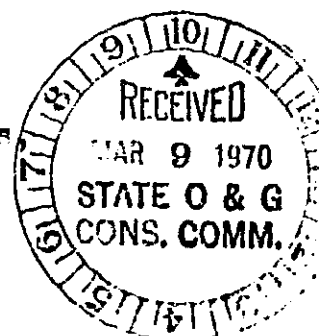
Kindly be advised I would greatly appreciate if I could be advised if Earleston Engineering is conducting a drilling operation in T. 17N., R. 21E., section 6, Navajo County, Arizona. Could I be furnished the address of this Operator.

Last year at one time I understood Mr. O. R. Thaurson of Chicago filed for intention to drill in T. 20N., R. 25E., and R. 26E., Apache County, Arizona but have read nothing further on this. I would appreciate if I could be furnished any information relative to this matter at the convenience of the Commission.

Thank you for this and past courtesies and am enclosing a self addressed stamped return envelope for your convenience.

Respectfully yours

Don Miller
Don H. Miller




OFFICE OF
Oil and Gas Conservation Commission
STATE OF ARIZONA
ROOM 202
1624 WEST ADAMS
Phoenix, Arizona 85007
PHONE: 271-5161

March 12, 1970

Memo from John Bannister

Re: Files 530 and 532
Aritex No. 1 and No. 2

On March 10 and 11, 1970, the storage project involving these two wells has been inspected. Mr. Tom Martin of Eagleton Engineering Company and Mr. James Baldry of Aritex have been contacted. Eagleton Engineering Company is setting up the storage project and Aritex is a corporation which has been formed to manage the propane project. Mr. Martin represents Eagleton and Mr. Baldry is being employed by Aritex.

As to Well No. 1, Permit No. 530, a small cable tool rig has been brought in and is currently drilling out cement. After the hole has been opened, Hallibuton will run a wire line to determine accurately total depth and 4-1/2" tubing will then be set to approximately 1150', which will bring this tube down to an anhydrite section approximately 40' below the top of the salt. This 40' section is both overlain and underlain by anhydrites and should prove ideal for storage purposes.

The No. 2 well, Permit 532, has been drilling 400' to the north of Well No. 1, currently at a total depth of 760'. As I left the site there had been a twist off and 240' of drill pipe and the drill bit was left in the hole; however, due to the nature of the twist off, it should be easily recovered by a spear.

Initially, Well No. 2 will be drilled to a depth of approximately 1200' and 7" casing set through the total salt zone to be used. A collar and cement plug will be set at bottom hole below the lowest anhydrite section. The well will be perforated into the lower salt zone. It is intended to use a fresh water frack by Halliburton through these perforations until communication is

Page 2
Memo from Mr. Bannister
March 12, 1970

established with Hole No. 1. The brine will be taken at this time through the 4-1/2" tubing in Well No. 1 and will be temporarily ponded. Once the storage cavern has been created, Well No. 2 will also have 4-1/2" tubing run. At this time, brine water will be injected through Well No. 1 into a storage cavern to displace propane for production purposes.

Propane will be brought to the storage area by tank car from the Cineza plant east of Gallup, New Mexico. Holbrook seems to be the central distribution point for propane in Arizona and this location seems to be ideal for this purpose. If the project is successful, Southern Pacific will extend a spur from the railroad located some 100 feet from the southern boundary of Aritex property. Propane will be moved both by tank car and truck.

If the initial phase now being undertaken is successful, it is intended to immediately create three such underground storage caverns. Each cavern will involve the use of two wells as outlined above. Each cavern will be approximately 400 feet long by 80 feet wide by 40 feet high and will contain approximately 150,000 barrels each of propane. A permanent brine pond of approximately 200,000 barrels capacity will be maintained. This brine will be used to displace the propane in storage. It is decided to use a saturated solution of brine, inasmuch as when introduced into the cavern it will not enlarge same.

Prior to contacting Mr. Martin and Mr. Baldry, I contacted Mr. W. S. Carpenter, City Manager of Holbrook. Mr. Carpenter has been thoroughly advised as to the proposed plans and progress of this project. Mr. Carpenter advises that there are no fresh water wells within a three mile are of the project and that the city is satisfied that no contamination can or will occur from the ponding operations. Mr. Carpenter joined me in my initial inspection of this project.

As a result of my meeting with Mr. Martin and Mr. Baldry, this Commission has ordered that the necessary well signs be erected and maintained, and has again advised that all wells drilled for this project, regardless of their purpose, must be permitted by this Commission and samples collected.

Page 3
Memo from Mr. Bannister
March 12, 1970

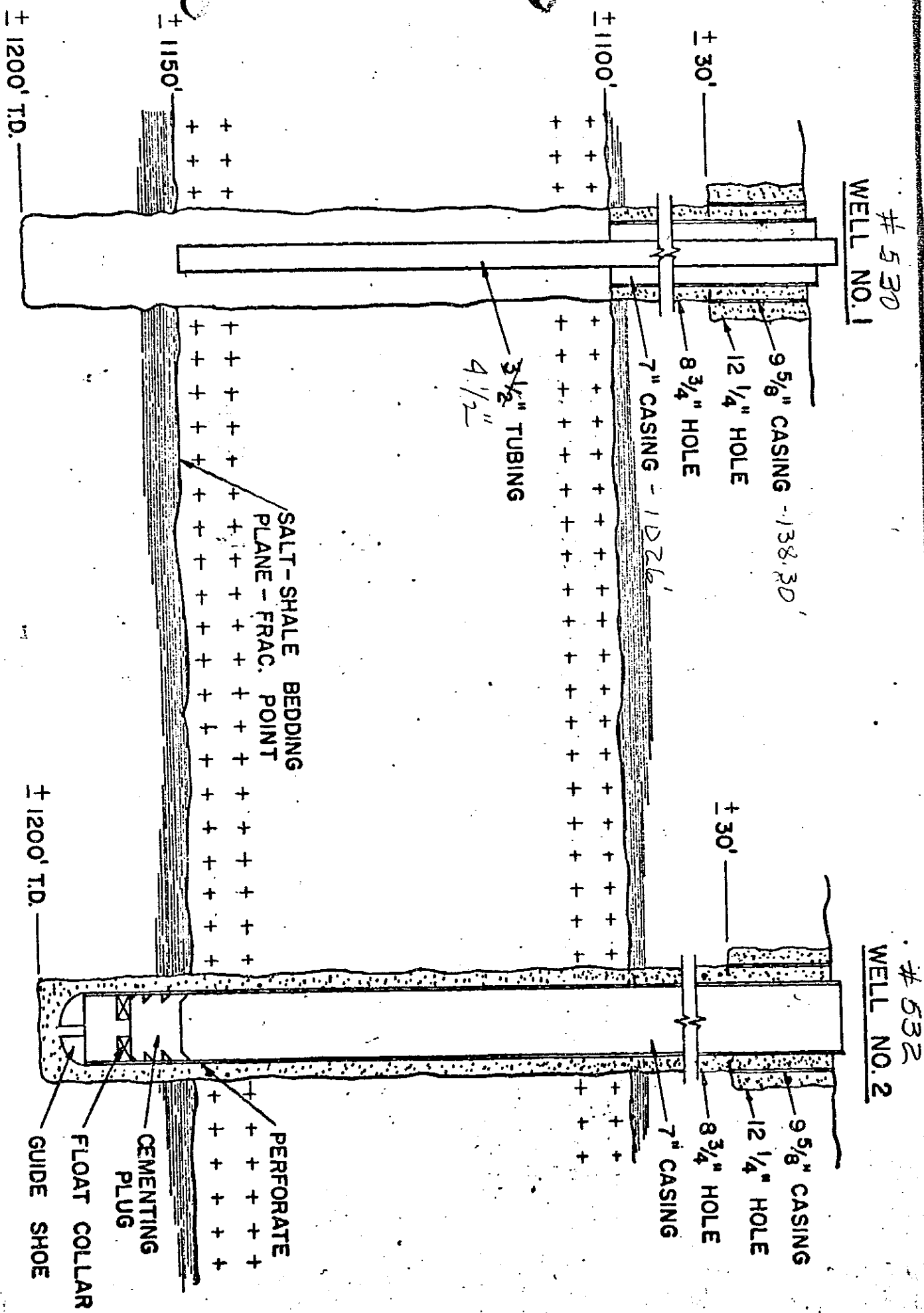
The Commission insisted that some method of evacuation of the contents of the large permanent brine pond be established so that it could be emptied in the event of any emergency. In the event of a severe emergency the contents of the pond could be put back into underground storage. This, of course, would necessitate a loss of the stored propane. The Commission suggested that the pond, in effect, be cut in half so that in the event of emergency the contents of the pond in either section could be transferred to the other section and any repairs be made that might be necessary. It was further suggested that, in establishing the bottom of the permanent pond, the recovered brine be evaporated and the salt worked by sheephead well into the bottom. These suggestions will be followed.

Mr. Martin outlined a proposal to insert 6 to 7" piping from his pump into both sections of the pond, which would give him a method of transferring the contents from one section of the pond to the other. The suggested division of the pond was most favorably received in that it will give the company a greater control of the brine and percentage concentration plus give the company a readily available means of doing any repair work necessary to the pond without undue loss of its contents.

I would like to say Mr. Martin and Mr. Baldry were most cooperative with this Commission and I feel that their continued cooperation is assured.

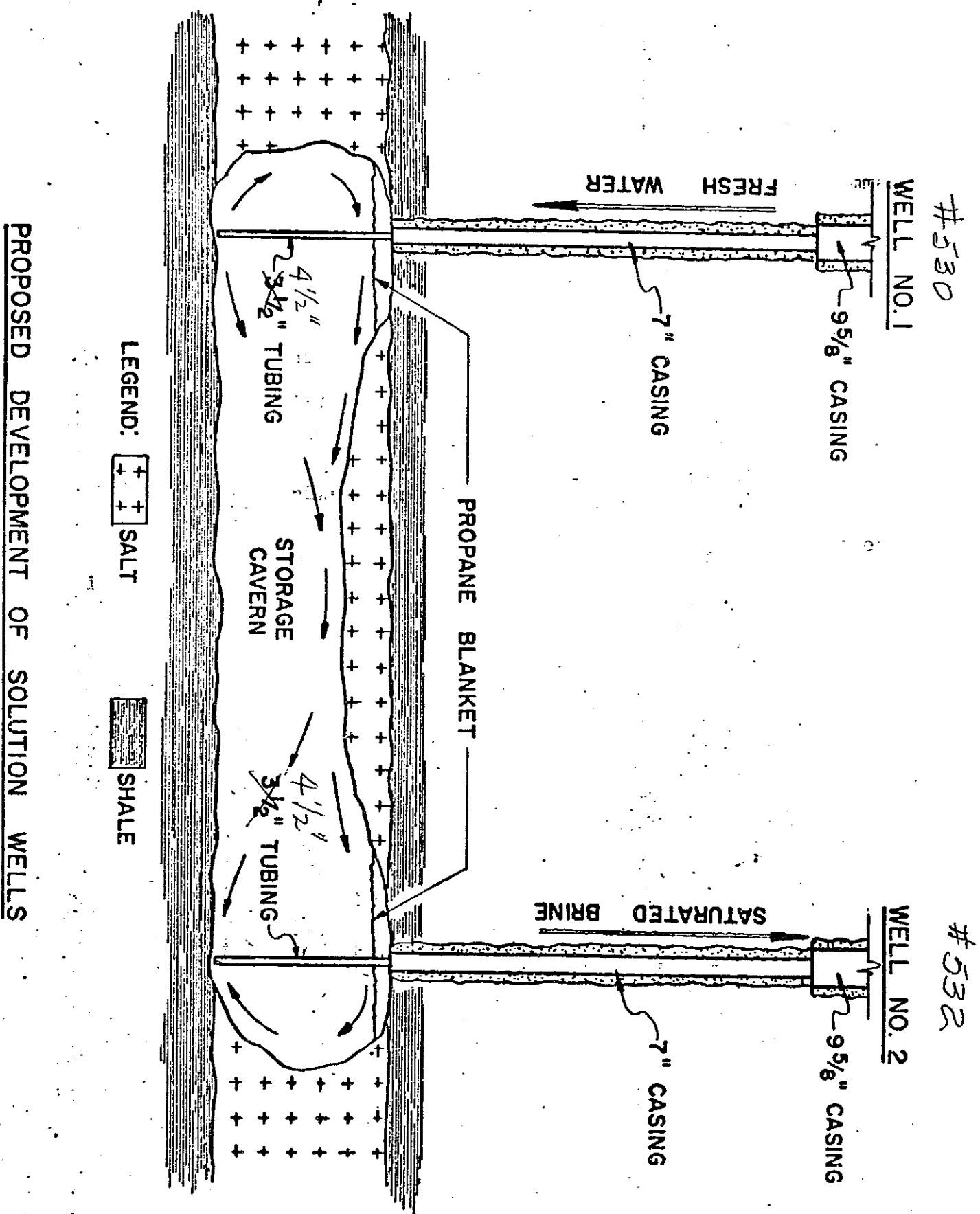
Please see File 530 for photographs of the above-captioned wells and temporary ponds, also for initial plans concerning proposed wellheads and initial ponding of water.

John Bannister



SOLUTION WELL SCHEMATIC PREPARATORY TO FRACTURING

FIG. 1



PROPOSED DEVELOPMENT OF SOLUTION WELLS

FIG. 2

March 12, 1970

Mr. Norman Eagleton
P. O. Box 36117
Houston, Texas 77036

Re: Aritex Well No. 1 and Well No. 2 and
Proposed Propane Underground Storage Project,
Holbrook, Arizona
Our Files No. 530 and 532

Dear Mr. Eagleton:

First, I would like to express my appreciation for the many courtesies and cooperation I received from Mr. Tom Martin of your organization and Mr. James Baldry of Aritex on the occasion of my recent visit to the captioned project.

This Commission was delighted to learn that your organization has developed a wonderful relationship with the citizens of Holbrook as well as with the city administration. This, undoubtedly, will have great benefit to the project you are undertaking.

As a result of my meeting with your representatives, this Commission requests that you take the following actions:

1. Immediately, there should be erected a sign at each of the captioned wells and at all future well sites, which sign shall contain the name of the well, its quarter-quarter, section, township and range location, and the state permit number. Upon completion, a similar identification sign should be permanently attached to the wellhead.

Page 2

Mr. Norman Eagleton
March 12, 1970

2. In order to avoid any misunderstanding, any and all wells regardless of purpose, which are drilled in connection with this project must be permitted by this Commission.

3. It is my understanding that you intend to construct and permanently maintain a pond capable of containing 200,000 barrels of salt brine for this operation. As a part of your planning for this pond's construction, it will be necessary that this pond can be quickly emptied in the event of an emergency which may threaten surface or sub-surface pollution. It is suggested that in establishing this pond it be divided in half and arrangements made for the transfer of the contents from one section to the other. This ponding operation and preparation of the pond bottom for sealing purposes has been fully discussed with Mr. Tom Martin. The prime requirement here is that the pond be capable of being evacuated quickly for repair if and when necessary.

4. This Commission must be immediately notified when any unusual loss of the contents of the brine storage pond has been detected. It is suggested that some visual means of measurement of the contents of this pond be established.

This Commission is, of course, concerned with any potential escape of the brine stored in the ponds as a possible threat to underground fresh water; consequently, the above requirements are made. It is not our intention in any way to interfere with your operations; however, it is most necessary that all care be taken to prevent escape of your brine in any manner. Surface examination of the area where the ponding of the brine will be conducted indicates an area most favorable for this operation.

Page 3
Mr. Norman Eagleton
March 12, 1970

Again, let me express my appreciation for your cooperation and help. If we may be of service or help to you in any way, please do not hesitate to contact us.

Sincerely,

John Bannister
Executive Secretary

JB:jd

cc: Mr. Tom Martin



UNITED STATES FIDELITY AND GUARANTY COMPANY
PHOENIX OFFICE
3605 N. 7TH AVENUE, PHOENIX, ARIZONA 85013
TELEPHONE: 602/277-4411
March 9, 1970

T. D. GIBSON
MANAGER

Oil & Gas Conservation Commission
1624 W. Adams
Phoenix, Arizona

Re: Bond No. 29-0130-153-70
Principal: EAGLETON ENGINEERING CO.
Amount: \$5,000.00
Effective Date: 3-2-70

Gentlemen:

At the request of our Houston Branch Office,
we are attaching herewith original of the above captioned
bond, properly executed and countersigned, for filing.
We trust you will find same to be in proper order.

Thank you for your assistance in this matter.

Yours Sincerely,

Glenna Crum
Bond Department

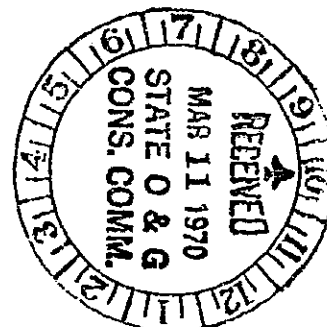
Enclosure

CC:

*See letter to USF&G, Houston
to correct well location -*

3-13-70

JB



532

206 CENTURY BLDG.

OFFICE 247-0025
RESIDENCE 247-3190

ROBERT E. LAUTH
GEOLOGICAL CONSULTANT
P. O. BOX 776
DURANGO, COLORADO
81301

March 6, 1970

Four Corners Sample Cut Assn
641 West Broadway
Farmington, New Mexico 87401

Re: Samples, 145 to 1100 feet
Aritex Development Corp.
No. 1 Fee Strat
NESE Sec 6 T17N, R21E
Navajo County, Arizona

Gentlemen:

On Tuesday evening March 3, 1970, I left three boxes of the above captioned samples at your back door with a note that more pertinent details and instructions would follow.

Please make the necessary sample cuts as required by the Arizona Oil and Gas Conservation Commission. The billing invoice should be sent (three copies) to Aritex Development Corp. P.O. Box 187 Holbrook, Arizona 86025.

Aritex will drill one more well, the No. 2 Fee Strat very shortly (about 2 weeks). I'll leave the samples when drilled with you when I come back in. Instructions for the No. 2 well is the same as on the No. 1 well.

Thank you,

RE Lauth
Robert E. Lauth

cc Ariz. O&G Conservation Comm.
1624 West Adams Rm 202
Phoenix Ariz. 85007
cc Aritex Develop. Corp.
P.O. Box 187
Holbrook Ariz. 86025





Telegram

302P PST MAR 6 70 LB262

NSC404 NS HSD270 NC PDF HOUSTON TEX 6 430P CST

JOHN BANISTER, EXECUTIVE SECRETARY 1624 W Adams

ARIZONA OIL AND GAS CONVERSATION COMMITTEE PHOENIX ARIZ

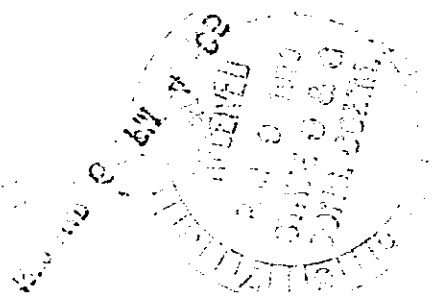
THIS IS TO CONFIRM OUR AGENCY EXECUTED IN US FIDELITY AND GUARANTY

A \$5,000.00 OIL OR GAS WELL DRILLING BOND IN FAVOR OF EAGLETON
ENGINEERING COMPANY AS OF 3/2/70 WITH STATE OF ARIZONA AS OBLIGEE

BURTON INS AGENCY CHARLES BURTON

(442)

271 5161
D 419 Mail



1970 MAR 6 PM 4 05

BURTON INS AGENCY CHARLES BURTON
ENGINEERING COMPANY AS OF 3/2/70 WITH STATE OF ARIZONA AS OBLIGEE
A \$2,000.00 OIL OR GAS WELL DRILLING BOND IN FAVOR OF EKLITON
THIS IS TO CONFIRM OUR AGENCY EXECUTED IN US FIDELITY AND GUARANTY
ARIZONA OIL AND GAS CONVERSATION COMMITTEE PHOENIX ARIZ
JOHN BANISTER, EXECUTIVE SECRETARY
HSC404 NS HSD370 NC PDE HOUSTON TEX 6 430P CST
302P PST MAR 6 TO 1B36Z

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B-746830

1970 MAR 6 PM 4 05